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Druze in Lebanon Take a Key Town; 2 Marines Killed

By Eric Pace

New York Times Service

BEIRUT — Druze militiamen seized control of a strategically important town in Lebanon Tuesday as fighting and shelling continued at dozens of places in the Beirut area and the Chouf region.

In the third day of fighting between the Lebanese Army and communal militias, two U.S. Marines on peacekeeping duty were killed. Four now have been killed in eight days.

Attempts at a settlement were made, though evidently without success, and Western diplomats voiced concern that the Druze leadership would reject an accommodation with its foes, in part because its fighters seem to be doing well in the field.

The Druze militiamen completed taking Bhamdoun, a former resort community 16 kilometers (10 miles) east of Beirut, after prolonged fighting.

Fighting was said to be continuing in the area afterward, and Lebanese Christians contended that Syrian tanks were in the Druze vanguard. The Druze denied that Syrian forces were involved.

South of the capital, fighting continued between the Lebanese Army and the Druze militia.

The two Marines, members of the 1,200-member U.S. marine contingent of the multinational peacekeeping force, were killed when shelling from unidentified gunners hit their bunker near Beirut International Airport.

A marine spokesman said three Marines were wounded.

In Washington, a spokesman for President Ronald Reagan warned Syria against active intervention in Lebanon. The Associated Press reported.

Robert C. MacFarlane, President Reagan's special envoy, conferred with President Anwar Gemayel and then went to Damascus. He was expected to press the Syrian regime, which provides the Druze fighters with weapons and ammunition, to support cease-fire efforts.

The Lebanese police, who have been keeping track of casualties in the fighting other than those suffered by the Lebanese Army, reported that 134 persons had been killed and 345 wounded in fighting between Druze and Christian militias from sundown Monday to mid-morning Tuesday.

That brought the total count to 216 killed and 561 wounded since the fighting erupted Sunday as Israeli troops started a partial withdrawal from Lebanon.

The Lebanese state radio said 1,500 refugees fled Bhamdoun, which lies on the main Beirut-Damascus highway. It said 800 Bhamdoun refugees demonstrated near the Presidential Palace on the capital's southeastern outskirts, calling on the government to stop the fighting and killing in the Chouf region.

A Western television crew that traveled through Bhamdoun said that people in the town, evidently Druze, were holding a simple victory celebration.

Western diplomats Beirut said that they feared that the Druze, emboldened by their success in Bhamdoun, would push on to commanding mountain sites from which they could conveniently shell Beirut, which is predominantly Christian, and the palace of President Gemayel. The palace is in a Beirut suburb, Baabda.

Some diplomats said they had become deeply pessimistic about the outlook for a cease-fire since the Druze seemed to be doing well in the field and because of signs that the main Lebanese Druze leader, Walid Jumblat, was refusing to negotiate seriously. Mr. Jumblat is in Damascus.

Mr. Jumblat agreed Tuesday to go to Rome for talks as Italy began an attempt to mediate in the conflict, Reuters reported.

Warning from Washington

In Washington, a White House spokesman, Larry M. Speakes, stressed that there were no plans for U.S. marine reinforcements to go ashore in Lebanon, AP reported.



Paul H. Nitze, left, and Yuri A. Kvitsinsky meet in Geneva.

Soviet, U.S. Negotiators Resume Geneva Talks

New York Times Service

GENEVA — U.S. and Soviet negotiators exchanged polite smiles and perfunctory greetings Tuesday at the start of what is expected to be a decisive round of talks on the reduction of intermediate-range nuclear missiles in Europe.

The meeting was held under the shadow cast by what the leader of the U.S. delegation, Paul H. Nitze, on Monday called the "irresponsible Soviet action" of the destruction by a Russian jet last week of a South Korean airliner.

Despite the politeness, the atmosphere appeared restrained as the two delegations entered the villa.

The first meeting after a two-month recess in the negotiations lasted an hour and 50 minutes.

Mr. Nitze was welcomed with a

handshake by the Soviet negotiator, Yuri A. Kvitsinsky, when he emerged from his limousine at the Soviet mission's villa.

A dozen members of the U.S. delegation followed Mr. Nitze and shook hands with members of the Soviet team.

The two chief delegates did not follow their customary practice of posing shaking hands specially for photographers who, with reporters, are permitted inside the Soviet mission compound at the start of each new round of talks. Neither negotiator stopped to answer questions from reporters.

Mr. Nitze acknowledged as he arrived in Geneva on Monday that the destruction of the South Korean 747 with a loss of 269 lives would have "some unavoidable" impact on the talks. But he stressed that Washington was determined to press on with the attempt to "reduce the threat of nuclear war."

Mr. Kvitsinsky, arriving in Geneva on Saturday, said the Soviet Union was "firmly in favor of reaching agreement."

But he warned that time was running out because of the North Atlantic Treaty Organization's decision to begin deploying in December the first of 572 U.S. Pershing-2 and cruise missiles unless an accord is reached.

If NATO goes ahead with the deployment, Mr. Kvitsinsky said, there will be an "aggravation of nuclear confrontation."

The new round in negotiations that have lasted for almost two years is crucial because it is expected to be the last at which an accord could be reached before the NATO deployment deadline.

Mr. Kvitsinsky said the U.S. should seize the opportunity to reach agreement offered in the proposal announced in August by the Soviet leader, Yuri V. Andropov.

Mr. Andropov said that the Soviet Union would "liquidate" SS-20 missiles in its European-based nuclear arsenal under any agreement reached here. Western officials had feared that missiles moved to Asia from Europe could easily be moved back within range of the West.

Mr. Nitze said Monday that the Andropov proposal was only a "limited step forward" because it would leave the Soviet Union free to continue production of SS-20s.

Tuesday's meeting will be followed by a second session Thursday at the U.S. mission, an official announcement said.

Kremlin Admits Ordering Jet To 'Stop Flight' of KAL's 747

By John F. Burns

New York Times Service

MOSCOW — The Soviet government said Tuesday that a Soviet fighter was ordered "to stop the flight" of a Korean Air Lines Boeing 747 over Sakhalin island after it failed to obey the fighter's demands that it land on a Soviet airfield.

The government statement amounted to the first acknowledgment by Soviet authorities that the Korean plane was shot down.

However, the statement renewed Soviet allegations that the 747 was on a U.S. spying mission and said that "the entire responsibility for this tragedy rests wholly and fully with the leaders of the United States of America."

The Soviet government account said that the "anti-aircraft forces command" in the area where the 747 was intercepted had concluded that the aircraft was "a reconnaissance aircraft performing special tasks."

It said the command came to that conclusion because the Korean plane had flown over strategically important areas of the Soviet Union, including a base for nuclear missile submarines on the Kamchatka Peninsula and other military bases on Sakhalin, which lies across a narrow strait from the northern Japanese island of Hokkaido.

The statement said that the fighter launched warning shots with tracers, as "envisaged by international rules."

It continued: "Since even after this the intruder plane did not obey the demand to fly to a Soviet airfield and tried to evade pursuit, the anti-aircraft defenses fulfilled the order of the command post to stop the flight."

"Such actions are fully in keeping with the law on the state border of the U.S.S.R. which has been published."

The reference was to a new border law promulgated nine months ago. Article 36 of the law empowers the Air Defense Forces to use "weapons and combat equipment"

against violators of Soviet air space in response to the use of force by violators or in instances in which the violation cannot be stopped or the violators detained by any other means.

The pronouncement was read on the main television newscast at 9 P.M. and marked the first time that the government itself has made any official statement in connection with the downing of the Korean plane, which disappeared over the Sea of Japan on Aug. 31 with the loss of all 240 passengers and 29 crew aboard.

Previous accounts issued on the authority of the official news media and by an Air Defense Forces general had implied that the only action taken against the airliner was the firing of a warning burst of tracer shells parallel to its path.

'Time to Own Up'

"It's about time they did it. It's about time they owned up to what they have done," President Ronald Reagan's spokesman was quoted as saying Tuesday in a report from The Associated Press in Washington. The statement was in response to the Soviet Union's acknowledgment that the Korean plane was shot down.

At the same time, the spokesman, Larry M. Speakes, maintained that the United States has "irrefutable" evidence beyond transcripts of Soviet pilots' radio transmissions that the Soviets knew the airplane was a civilian airliner.

Limited U.S. Sanctions Imposed on Russians

By Lou Cannon

Washington Post Service

WASHINGTON — President Ronald Reagan has called for "justice and action" in response to the "Soviet crime" of shooting down a South Korean commercial airliner and imposed limited sanctions on the Soviet Union.

The president indicated Monday night that he was relying on international retaliation for what he called "the Korean airline massacre" in which 269 passengers and crew members died.

In his nationally televised speech from the White House, Mr. Reagan played a tape recording of air-to-ground reports from two Soviet jet fighter pilots before and during the time one of them shot down Korean Air Lines Flight 007 with a heat-seeking missile.

Just after 3:26 A.M. Seoul time, the pilot of a Soviet Su-15 fighter radioed the Soviet ground station, "I have executed the launch," according to the U.S. government translation of the recording.

"Two seconds later, the Soviet pilot said: 'The target is destroyed.' Five seconds later, he said: 'I am breaking off attack.'"

Mr. Reagan called this an attack by "the Soviet Union against the world and the moral precepts

which guide human relations among people everywhere."

"From every corner of the globe the word is defiance in the face of this unprovoked act and defiance of the system which excuses it and seeks to cover it up," Mr. Reagan said. "With our horror and our sorrow, there is a righteous and terrible anger. It would be easy to think in terms of vengeance, but that is not a proper answer. We want justice and action to see that this never happens again."

Shortly before the president spoke, the Reagan administration announced three unilateral actions against the Soviet Union.

These actions include suspending negotiations on a cultural agreement, suspending negotiations on a consular agreement, and suspending renewal of a transportation accord with the Russians.

Mr. Reagan said he has "reaffirmed" an order canceling the landing rights of the Soviet airline Aeroflot in the United States, which his administration had made in December, 1981, in response to repression in Poland.

Despite his denunciation of Soviet conduct in the incident as "murderous" and an "act of barbarism," Mr. Reagan said that "we must not give up our effort to bring



Ronald Reagan

them into the world community of nations," and that for this reason he was not suspending nuclear arms control negotiations with the Soviet Union at Geneva.

"We cannot, we must not, give up our effort to reduce the arsenals of destructive weapons threatening the world," he said.

The president said he would work with the 13 other nations who had citizens aboard the South Korean plane to seek reparations for the families of the victims.

"The United States will be making a claim against the Soviet Union," Mr. Reagan said. (Continued on Page 2, Col. 5)



Two marines ran for cover as their camp at the Beirut airport came under fire Tuesday.

'Electronic Vandalism' Plagues U.S. Young Computer Amateurs Exchange Break-In Tips

By Joseph B. Treaster

New York Times Service

LOS ANGELES — The number of young people roaming without authorization through some of the nation's most sophisticated computer systems runs into the hundreds and possibly thousands, according to computer crime experts.

Further, they say, the number is growing hand-in-hand with the boom in personal computers.

The relatively low cost of computer equipment and the existence of electronic bulletin boards that permit the fast, nationwide exchange of information have opened the pathways to a vast number of curious young people who often have only a rudimentary knowledge of the field.

Many Americans discovered that young people were tapping into sophisticated systems from home computers in their bedrooms and basements in early August, when it was reported that a half-dozen Milwaukee youths had gained access to about 60 computers, including one at the Memorial Sloan-Kettering Cancer Center in Manhattan and an unclassified one at the nuclear laboratories at Los Alamos, New Mexico.

Many computer enthusiasts scoff at the Milwaukee group.

"They are the least of what's going on in this world," said a 19-year-old university student in Chicago who calls himself Mr. Xerox.

"They are the ones who got caught,

which means they really don't know what they're doing."

Most of the computer enthusiasts, who are mainly in their teens and early 20s, say their explorations are harmless. But computer crime experts say the intruders are engaged in "technological trespass," stealing computer time and services. Their lack of expertise also sometimes leads them inadvertently to destroy information or to cause entire systems to fail, or "crash." The damage can amount to thousands of dollars.

"Some of these systems are very fragile," said Donn B. Parker, a consultant on computer crime who has written several books on the subject. "If you hit the wrong key, you may wipe out files or cause the whole system to crash. Some of these people don't know enough to know what to be careful with. It's very dangerous."

"They say they're not malicious, but the victims lose all this computer time and they have some strange roaming around in their system. I call it electronic vandalism."

The intruders often "meet" electronically through the 1,000 computerized bulletin boards that have sprung up nationwide in recent years. Anyone with a computer and its accompanying communication device, called a modem, can use them to gain free access to such things as games, movie reviews and even medical advice.

About 100 of the bulletin boards

are used regularly by young people to swap confidential codes for computers and exchange tips on how to break into systems.

Many of the bulletin boards have fanciful names like Pirate's Cove and Secret Service. Those using them take pseudonyms such as The Dark Lord, Mr. Slippery and The Flying Corsair.

The other day on the Pirate's Cove board, which operates from Farmingville, New York, and has more than 600 regular users, someone who identified himself as The Cracko offered to swap the access code to a computer at the Brookhaven National Laboratory, a nuclear research center in Upton, New York, for any other password that would get him into "a good computer system."

In another exchange, Computer Yabblar said he had obtained the password for a Dow Jones computer and was willing to share it with anyone who could tell him how to use it. Less than four hours later, Mr. Bit responded with a detailed explanation.

No one knows precisely how many young people are involved in breaking into computer systems, but Jay Bloombecker, the director of the National Center for Computer Crime Data here, said, "It's very widespread."

Mr. Parker agreed. "Every high school and every college that teaches computer technology has kids doing this stuff," he said.

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Reagan, in Imposing Mild Sanctions, Resisted Demands of Conservatives

By Bernard Gwertzman

New York Times Service

WASHINGTON — On the recommendation of key advisers, President Ronald Reagan decided not to impose dramatic new sanctions against the Soviet Union for the downing of the South Korean plane.

He agreed not to do so, his aides said Monday night, because it would be too damaging to the administration if he took such steps as suspending the arms control negotiations or halting the trade in grain and nonstrategic goods.

Several conservative organizations and public figures had urged the president to sever relations effectively with Moscow. He was advised by the publication Conservative Digest, for instance, to halt the arms control talks, end trade and cut diplomatic relations to a bare minimum.

After the imposition of martial law in Poland in 1981, Mr. Reagan imposed a number of sharp sanctions. But the consensus of his advisers this time was that it was crucial for Mr. Reagan to appear measured and restrained, both for foreign and domestic considerations, officials said privately.

Mr. Reagan's decision to limit his actions primarily to the international civil aviation field is expected by his aides to cause sharp criticism within conservative circles and unusual praise from liberals.

As a result, there was some uneasiness evident Monday night at the White House in the briefing for reporters. Senior officials stressed that the restraint shown by Mr. Reagan did not mean any softening

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in the administration's attitude toward the Russians.

The shooting down of the Korean plane was "hideous," an official said, "and so is Afghanistan, Poland and yellow rain." He said, "A realistic assessment of the Soviets must recognize that the shutdown of Flight 007 is not out of keeping with past Soviet performance."

The best way to change Soviet behavior, the official said, "is through economic, military and alliance strength."

Likewise, by going ahead with the arms control talks, Mr. Reagan makes it easier for Western allies to continue to agree to the deployment of new U.S. missiles in Europe beginning later this year.

"If we had halted the Geneva talks on missiles," a State Department official said, "a lot of Europeans would be saying that Mr. Reagan is a warmonger and there

would be new demonstrations against us, and the Flight 007 would be forgotten."

Mr. Reagan, in fact, sought to use the incident in his speech to increase support for his MX program, which faces a difficult fight in Congress. He has been advised that unless members of Congress are convinced that he is negotiating seriously for a strategic arms reduction treaty, the MX might be dealt a setback.

The calculated decision to be restrained in action seemed to bother White House officials who feared that Mr. Reagan might be castigated as giving up his well-known abhorrence of the Soviet Union.

As recently as Friday, before he had had a chance to meet with his advisers, Mr. Reagan appeared to be holding out the possibility of much more severe sanctions.

"What can be the scope of legitimate mutual discourse with a state whose values permit such atrocities?" Mr. Reagan said in California before flying back to Washington for a series of weekend meetings.

But once in Washington, Mr. Reagan was told by Secretary of State George P. Shultz that whatever the United States did it had to avoid turning the Korean airliner

Pilots' Group Urges Ban on Soviet Flights

Compiled by Our Staff From Dispatches

LONDON — The governing body of commercial pilots around the world Tuesday called for a 60-day ban on flights to Moscow in retaliation for what it described as the deplorable Soviet destruction of an unarmed South Korean plane.

The principal directors of the International Federation of Air Line Pilots Associations (IFALPA), representing 57,000 pilots in 67 countries, called for the ban after an emergency meeting at their headquarters outside London.

The federation's president, Captain Robert Tweedy of Ireland, said the ban should begin soon and be reviewed after it had been in effect 30 days. The move came less than 24 hours after Canada suspended landing rights for the Soviet airline, Aeroflot, in Montreal, its only scheduled stop in North America.

Captain Tweedy said, "We deplore the action of the Soviet Union in destroying a defenseless civil airliner." He said the federation would call on other professional bodies to take similar action "aimed at demonstrating the outrage of the civil transport industry and the whole world at this incident."

He said the federation would also demand guarantees from the Soviet Union that such an incident would not happen again and would consider additional action if these were not forthcoming.

"This is in order to protect the civil aviation industry from military intervention involving the use of weapons," Captain Tweedy added.

Five of the six principal federation directors from the United States, Norway, Italy, Portugal and Ireland took part in the meeting.

In Seoul, the government Tuesday termed President Ronald Reagan's announced measures against Moscow a "just and appropriate" response to the downing of the South Korean plane and hundreds of thousands of protesters gathered throughout South Korea to condemn the Soviet attack.

In general, U.S. allies were lukewarm in their reaction. Only South Korea, Japan, Canada and Australia voiced outright support, and only Canada took action with its suspension of Aeroflot flights.

In Tokyo, the chief cabinet secretary, Masaharu Gotoda, said at a news conference that the transcript was "clear proof" the Russians attacked the Korean plane.

The South Korean government said it welcomed measures announced by Mr. Reagan against the (Continued on Page 2, Col. 5)



PERONIST CANDIDATE — Italo Luder, the presidential nominee of the Peronist Party in next month's elections, addressing the party convention in Buenos Aires. With him is the vice presidential candidate, Deolindo Bittel. The party is favored. Page 5.

Israel Watches Syrian Role in Clashes Amid Hints of Possible Intervention

By Edward Walsh
Washington Post Service
JERUSALEM—Israeli military analysts Tuesday were closely tracking the rapidly changing developments in Lebanon and said the critical issue to Israel was the extent of Syrian involvement in the fighting.

There were no reports here of a direct Syrian role in the fighting, which Tuesday morning led to the capture of the Christian town of Bhamdoun on the strategic Beirut-Damascus highway by Lebanese Druze forces.

An Israeli official said Monday that Israel would view the fall of Bhamdoun to the Druze with grave concern. The Israelis, however, appeared Tuesday to be waiting to see how the fighting in the Chuf mountains develops, and whether the Syrians or Palestinians join in it, before considering possible countermeasures.

"As long as the fighting is internal to the Druze and Christian Phalangists, we have no need or intention to intervene," a military analyst said. "But if the Syrians take advantage of the situation to move their forces down the Beirut-Damascus highway or into the Chuf, that creates a different situation."

The analyst also said Israel

would probably react to the movement of "large numbers" of Palestinian guerrillas, who are now north of the highway and east in the Bekaa valley, into the Chuf mountain region.

On Sunday, the day the Israeli Army evacuated its positions in the Chuf for a new line along the Awaali River to the south, Defense Minister Moshe Arens said Israel did "not want Syrian forces entering the areas we leave." Monday, another official extended the warning to include Syrian-backed Druze militias, which he described as proxies for the Syrians.

While most attention was focused on the Chuf fighting, there were additional signs of an apparent softening in the Israeli position on future troop pullbacks in Lebanon. In an interview to be published in Wednesday's editions of the Jerusalem Post, Mr. Arens explicitly said future pullbacks did not depend on Syrian willingness to withdraw from Lebanon, which had been an Israeli demand.

Asked if there could be another partial pullback by Israeli forces without a Syrian withdrawal, Mr. Arens said: "Absolutely. If it becomes clear in the next few months that the Lebanese Army takes control of the areas we evacuate, keeps control of it, that the PLO and the Syrian-

backed forces don't enter the area or take control of it, we will give very serious consideration to continuing to withdraw."

"The only thing that it depends on is us being convinced that we can maintain the safety of the civilian population in the northern part of the country [Israel]."

Mr. Arens's remarks about possible additional Israeli withdrawals in Lebanon did not apply to eastern Lebanon, where Israeli forces directly face the Syrians. The defense minister said in an interview on ABC television Sunday that "the eastern sector, the Bekaa valley, is an area we're not leaving until the Syrians and the PLO move out."

His condition for further Israeli withdrawals also does not appear possible in the near future since the Lebanese Army barely controls Beirut and is under a heightened threat by the initial victories of the Druze in the Chuf mountains. However, his remarks were the first time a senior Israeli official has suggested there could be additional pullbacks by the Israelis without linking this to a simultaneous Syrian withdrawal.

In a separate interview Tuesday, a senior Israeli Defense Ministry official said Israel was not surprised by the Druze takeover of Bhamdoun.



Delegates to the UN Security Council watched television screens Tuesday as tape recordings were played of what the United States said was the voice of a Soviet pilot as he shot down the South Korean airliner. Sitting at the desk, left to right, are Oleg A. Troyanovsky of the Soviet Union, John A. Thomson of Britain and Jeanne J. Kirkpatrick of the United States. The message on the screen reads: "The target is destroyed."

Reagan Says U.S. Spy Plane Landed An Hour Before Korean Jet Was Hit

By Richard Halloran
New York Times Service

WASHINGTON — President Ronald Reagan said Monday night that a U.S. reconnaissance plane passed close to a South Korean passenger plane early last Thursday but landed in Alaska an hour before the Korean plane was shot down.

Earlier, in a statement read by a senior administration official that supplemented the president's remarks in his televised address to the nation, the White House said the presence of the reconnaissance plane "some 1,000 miles (1,600 kilometers) and two and a half hours' flight time from the scene of the shootdown in no way excuses or explains this act, which speaks for itself."

The issue of the U.S. Air Force RC-135 surveillance plane arose Sunday when a senior Soviet military officer, Colonel General Semyon F. Romanov, chief of staff of the Air Defense Forces, said in Moscow that a Soviet pilot might have confused the airliner with the reconnaissance plane.

U.S. military officials said the RC-135, whose mission was to gather information on Soviet missiles, was based on the tiny island of Shemya, toward the tip of the Aleutian chain. That would explain how it was back on the ground when the attack took place.

[At the White House Tuesday morning, the spokesman, Larry M. Speakes, was quoted by The Associated Press as saying that the Korean plane "was very close if not hit by one of two missiles fired by the Soviet fighter. Mr. Speakes said the United States did not know whether the first or second missile hit the plane."

[One administration official, who asked to remain anonymous, said Sunday that the plane "may have actually been a mile outside of their (Soviet) airspace when they shot it down."

In a related development, an aide to the Senate majority leader, Howard H. Baker Jr. of Tennessee, said Mr. Baker was certain the Russians knew which plane they were tracking because they had assigned different numbers to each plane for tracking and knew each was headed in a different direction.

Mr. Baker attended a White House session Sunday in which congressional leaders were briefed on details of the episode and listened to tapes of transmissions between Soviet commanders on the ground and the Soviet pilot who reportedly shot down the passenger plane.

Meanwhile, U.S. military officials here said the crew of the RC-135 that flew near the Korean plane was unaware that the Soviet Union might have been preparing to attack the civilian plane.

The officers said that so far as had been determined, the reconnaissance crew had heard neither radio transmissions from Soviet ground stations to the fighter pilot who reportedly shot down the Ko-

rean plane nor conversations between the Korean pilot and a Japanese ground station.

The RC-135, which was loaded with electronic monitoring devices, passed west of Korean Air Lines Flight 7 early Thursday morning as the reconnaissance plane flew in a northerly direction to listen and tape Soviet communications about missiles. The White House said "both aircraft were then in international airspace, and the U.S. aircraft never entered Soviet airspace."

The White House added: "The

closest point of approach of the two aircraft was approximately 75 nautical miles, while the U.S. aircraft was in its mission orbit. Later, the U.S. aircraft crossed the path taken by the Korean airliner, but by then was almost 300 miles away."

Military officers said the air force plane would routinely have "pointed," or registered with radar, the Korean plane as a matter of aerial safety. It could not be determined if the reconnaissance plane spotted Russian fighters on its radar.

Limited U.S. Sanctions Imposed on Russians

(Continued from Page 1)

Union within the next week to obtain compensation for the benefit of the victims' survivors," Mr. Reagan said. "Such compensation is an absolute moral duty which the Soviets must assume."

Senior administration officials who briefed reporters before the speech said the Russians had not paid reparations in past incidents, such as the shooting down of another South Korean plane in 1978 in which two persons were killed.

"I am not at this stage particularly hopeful that they will agree to reparations," an official said.

Other actions announced by Mr. Reagan but which had been disclosed previously by administration officials include an effort to press the International Civil Aviation Organization, a United Nations agency, to investigate the incident and a request that Congress "pass a joint resolution of condemnation of this Soviet crime."

The United States has been engaged in a quiet diplomatic offensive aimed at persuading other nations to set "spontaneously" together in retaliation to the Soviet action.

Canada on Monday became the first nation to respond to the U.S. diplomatic efforts when it suspended Soviet commercial landing rights for 60 days. France has announced a four-day postponement of an important visit to Paris by the Soviet foreign minister, Andrei A. Gromyko.

This means that the first time the

incident will be raised with Mr. Gromyko by a Western diplomat will be Thursday when Mr. Gromyko is scheduled to meet with Secretary of State George P. Shultz in Madrid during a conference to review the 1975 Helsinki accords.

"If he does come to the meeting, Secretary Shultz is going to present him with our demands for disclosure of the facts, corrective action and concrete assurances that such a thing will not happen again and that restitution will be made," Mr. Reagan said in his televised speech.

Mr. Reagan cited the Soviet action as evidence to support his policy of "peace through strength."

That phrase, a favorite of Mr. Reagan's, was balanced with a pledge never to give up "our effort to bring peace closer through mutual, verifiable reduction in the weapons of war."

There appears to be little the United States can do to retaliate effectively against the Soviet Union in the international field of civil aviation.

The only time that formal action was taken by the International Civil Aviation Organization was in 1973 when its 33-nation council unanimously passed a resolution condemning Israel for shooting down a Libyan passenger plane, killing 106 persons. That action included no sanctions.

The council is the executive body of the UN group and is more or less continuously in session. The full assembly meets once every three years. The next meeting of the assembly is scheduled to begin Sept. 20 in Montreal. U.S. officials have considered seeking an earlier emergency session to react to the latest incident.

The United States and Canada attempted during a rash of international hijackings in the mid-1970s to get the assembly to deny air service to countries harboring hijackers, a proposal aimed at Afghanistan. It failed to win the two-thirds majority needed.

However, the United States and the six other Western nations at the Bonn economic summit conference in July 1978 agreed to deny air service to Afghanistan and landing rights to the Afghan airline. That action remains in effect.

International Pilots' Group Urges Ban on Soviet Flights

(Continued from Page 1)

Soviet Union, calling them "appropriate and justifiable," but most major Seoul newspapers said the U.S. reaction was lukewarm.

Prime Minister Bob Hawke of Australia said, "President Reagan's strong, clear and measured statement this morning expresses the profound concern and abhorrence felt by all civilized countries at what has occurred, while keeping open the channels of communication essential to preserve international security."

He said Australia would consider deferring trade talks with the Soviet Union that were set for next month.

France, which has postponed by a few days a visit by the Soviet foreign minister, Andrei A. Gromyko, was still studying Mr. Reagan's measures. Informal sources indicated that Paris was unlikely to impose sanctions of its own. Prime Minister Pierre Mauroy said Tuesday that France would tell Mr. Gromyko later this week what it

thinks of "this absolutely unspeakable act."

But there were doubts in some European capitals about restricting air travel to and from the Soviet Union.

Lothar Ruesch, state secretary in the West German Defense Ministry, said he did not think that West Germany and other European countries would revoke Aeroflot's landing rights. A spokesman for the West German Association for Industry and Trade said a ban on air travel to and from the Soviet Union would hamper business contacts.

The Netherlands stepped up its reaction to the shooting of the plane by postponing a visit by its agriculture minister to Moscow and a Soviet minister's visit to The Hague.

Foreign Minister Leo Tindemans of Belgium said that "a symbolic, moral reaction is called for." The Canadian external affairs minister, Allan Rock, said Mr. Reagan's "measured response" was "an exaggerated nor confrontational."

WORLD BRIEFS

Gromyko, Chinese Said to Plan Talks

BEIJING (Reuters) — Foreign Minister Wu Xueqian will meet his Soviet counterpart, Andrei A. Gromyko, in New York soon in the highest-level contact between the two countries since 1969, Japanese sources said Tuesday.

The sources, who are close to a Japanese ministerial team visiting Beijing, said the Chinese told them that the meeting would be held during the United Nations General Assembly session that begins Sept. 20.

The Soviet deputy foreign minister, Mikhail Kapitsa, arrives in Beijing on Thursday for a third round of talks between the two states on normalizing their relations. China has said consistently that relations can be improved only if the Soviet Union reduces its presence in Afghanistan and Vietnam and along the Chinese border.

Thousands Flee Tremors Near Naples

NAPLES (AP) — Thousands of people have fled their homes in the nearby town of Pozzuoli, which has been shaken by repeated earth tremors for three days. The authorities sent in tents and campers Tuesday to shelter some of the refugees.

Many shops and offices in the town of 71,000 have closed, and officials evacuated 120 inmates from a women's prison on Monday as a precaution. Many residents are sleeping in their cars or in buses provided by an Italian Air Force base.

Scientists said that underground volcanic activity had been slowly raising the level of the ground but that there did not appear to be an immediate danger of an eruption.

U.K., Spain Hold Talks on Gibraltar

MADRID (Reuters) — The British foreign minister, Sir Geoffrey Howe, began talks Tuesday with the Spanish foreign minister, Fernando Morán, on the 279-year-old dispute over Gibraltar.

Sir Geoffrey, due to attend a gathering of European security conference ministers Wednesday, told reporters that the main objective in meeting Mr. Morán was to establish a good working relationship. But Spanish diplomats said Mr. Morán was expected to make a bid to end the dispute over the colony, which Spain claims.

This could be done by establishing a regular timetable for bilateral talks, they said. Spain's determination to start improving relations was evident in the visit arranged for Sir Geoffrey to meet King Juan Carlos I and Prime Minister Felipe González, they said.

Use of Children in Gulf War Attacked

GENEVA (AP) — A subcommittee of the United Nations Human Rights Commission called Monday on Iran to stop using children in its war with Iraq.

The Anti-Slavery Society says that thousands of children aged 13 to 18 are fighting in the war and that Iran refuses to accept the return of youths held as prisoners of war in Iraq.

In a statement, Iran said it "categorically rejects such suggestions that the use of children in her armed forces is an established practice or one that is encouraged by it."

Marshall Islanders to Vote on Future

MAJURO, Marshall Islands (UPI) — Voters of the Marshall Islands considered last-minute pro-and-con arguments Tuesday as they prepared to decide on an agreement to replace 36 years of U.S. trusteeship rule.

Observers said the 13,000 voters of the Micronesian republic were expected Wednesday to approve narrowly the Compact of Free Association giving the nation complete independence from the United States except for military matters. The vote counting is to begin Thursday and is expected to take two days.

A deciding issue, observers said, is the amount of compensation offered by the United States to islanders displaced or exposed to radiation during nuclear testing at Eniwetok and Bikini atolls from 1946 to 1958. The compact provides for a \$150-million trust fund, which opponents claim is inadequate. That assertion is not accepted by supporters, including the islands' president, Amata Kabua.

Saudi Arabia Denounces BBC Report

JEDDAH (AP) — Saudi Arabia Tuesday denounced the BBC for "spreading Iranian allegations" about arrests of pilgrims in Mecca. It cautioned against "negative consequences" on Saudi-British relations if this attitude continued.

The BBC report, which appeared to be a reproduction of a Tehran Radio report, said that one of the pilgrims allegedly arrested by Saudi security authorities was a member of the Iranian parliament. "The kingdom denounces strongly this regrettable action by the BBC and wishes to caution against the negative consequences on Saudi-British relations if such [reports] were to continue," the statement said.

Togo Salutes Liberia on Israeli Ties

MONROVIA, Liberia (UPI) — President Gnassingbé Eyadéma of Togo has congratulated Liberia for re-establishing diplomatic relations with Israel, saying Liberia set the pace for other West African states, the Liberian foreign minister, T. Ernest Eastman, said.

He said Monday that Mr. Eyadéma made the remark to the Liberian head of state, Samuel K. Doe, in Lomé at the end of Mr. Doe's brief visit to Togo. He visited Togo and Sierra Leone on Sunday in an effort to persuade other African states to resume ties with Israel, which were broken after the 1973 Middle East war. Zaire was first to resume relations, followed by Liberia.

Israeli Doctors Granted Big Raises

TEL AVIV (AP) — An arbitration board has awarded hospital doctors wage increases averaging 60 percent and for the first time has established a maximum 42-hour workweek for doctors.

Individual pay increases will range between 40 to 70 percent with the lowest paid doctors getting the full increase. The increases are to be made in increments during the next nine months, the Jerusalem Post reported Tuesday.

The government agreed to set up the arbitration board after a strike last spring that lasted 118 days and ended in a two-week hunger strike by more than 3,000 hospital doctors. The doctors originally demanded increases of more than 100 percent.

For the Record

ATHENS (UPI) — A Belgian diplomat, Jacques Depoite, 40, was sentenced to nearly 13 years in prison for murdering his wife in Athens three years ago, a court spokesman said Tuesday.

WASHINGTON (Reuters) — The U.S. secretary of defense, Caspar W. Weinberger, left Tuesday for Central America to observe the U.S.-Honduran military exercise now in progress and the effectiveness of U.S. aid to government forces in El Salvador.

GENEVA (UPI) — The World Wildlife Fund said Tuesday it has donated a further \$200,000 to China to help save the endangered giant Panda. Only 1,000 pandas remain in the wild in China.

Reagan, Heeding Advisers, Chose Moderate Sanctions

(Continued from Page 1)

incident into a strictly Soviet-U.S. issue.

The United States could serve as a catalyst in persuading other countries to halt air service to the Soviet Union, as Canada did Monday. And because of its intelligence-gathering ability, it could serve as a kind of international prosecutor before the United Nations Security Council.

"We should not do something that will get the headlines for a day or two and then spend the next six months trying to undo," Mr. Shultz urged in private, his aides said.

In other words, Mr. Shultz, who has said that he believes trade sanctions are a poor way of achieving diplomatic ends, saw no point in causing new friction in the alliance or arguments with farmers and businessmen by imposing sanctions that had nothing to do specifically with the Korean plane.

to shelve some initiatives it had undertaken with the Soviet Union a few months ago to undo some of the sanctions imposed by President Jimmy Carter after the Soviet military moves into Afghanistan. Mr. Carter had suspended a cultural and scientific exchange agreement and stopped plans to set up consulates in Kiev and New York.

Mr. Shultz, arguing that the accords were in U.S. interests, had pressed to resume them. The Russians had agreed, and talks were to start soon. The president announced Monday night that they were again suspended, as was a tentative decision to renew a minor accord on exchanges in the transportation field.

A senior State Department official said privately that he thought these exchanges would be resumed once passions cooled.

Malta Accepts Madrid Compromise, Clearing Way for Ministers' Meeting

Compiled by Our Staff From Dispatches
MADRID — Malta ended Tuesday an eight-week refusal to endorse the final document at the European security conference, clearing the last hurdle for the official opening Wednesday of a three-

day meeting of 35 foreign ministers. Although the meeting is being held to mark agreements on improving East-West relations, it is expected to be dominated by the subject of the South Korean plane that was downed over Soviet territory with the loss of 269 lives and the ensuing international uproar.

Conference officials said Malta agreed to a compromise text on its demands for a separate review of Mediterranean security.

The text said participating states would give their support "when appropriate" to Maltese initiatives on Mediterranean matters but stopped well short of giving Malta a mandate for a security meeting.

If Malta had not agreed to endorse the final document, the foreign ministers would have had to have met outside the official security conference framework. After the Maltese ambassador, Evarist Saliba, announced his country's agreement, the conference convened a special open session for all 35 members to ratify the document.

Formal agreement on the document on ways to improve East-West relations through new under-

takings on human rights and a program of follow-up meetings meant that the conference had preserved its rule of consensus, which has governed all security conference meetings since the original accords were negotiated and signed in Helsinki in 1975.

Malta had exploited the rule to press its case for the Mediterranean meeting despite almost universal opposition from all other members, who argued that such a forum would drag the conference process into the disputes of the Middle East and North Africa.

Diplomats preparing for the meeting expressed the hope that the atmosphere of confrontation between Washington and Moscow over the downing of the jetliner would not totally disrupt the conference.

Much would depend upon the outcome of a meeting scheduled for Thursday between the Soviet foreign minister, Andrei A. Gromyko, and U.S. Secretary of State George P. Shultz, the diplomats noted. None had had any word that the meeting between the two had been canceled.

Mr. Shultz, who had a brief meeting with Mr. Reagan Tuesday, made no comment as he left Washington for Madrid with orders from Mr. Reagan to demand an explanation from Mr. Gromyko for the downing of the plane.

Mr. Gromyko, making his first trip abroad since the incident, was met at Madrid airport by the Spanish ambassador to Moscow, Manuel Xifra, Reuters reported. Earlier, the Spanish foreign minister, Fernando Morán, had met the British foreign secretary, Sir Geoffrey Howe, at the Barajas airport military terminal.

Since Mr. Gromyko's visit to Paris, scheduled for Monday, was postponed, he did not have a chance to gauge Western reactions to the crisis firsthand before his arrival here. When he does so, it will be in an international forum in which he can expect the support of Moscow's Warsaw Pact allies.

Western diplomats said they expected Moscow to run into a storm of criticism for its role in the disappearance of the Korean plane. The criticism could come both in public speeches and in private talks.

"This won't be just an occasion to make speeches about the Korean aircraft," said one West European ambassador.

New Hampshire Stops Selling Russian Vodka

The Associated Press

CONCORD, New Hampshire — The New Hampshire Liquor Commission voted unanimously Tuesday to stop selling Russian vodka at state liquor stores.

The 3-0 vote to stop selling the vodka was to protest the Soviet Union's shooting down of an unarmed South Korean plane last week.

Commissioner Costas Tensas, who made the motion, called the act barbaric and said the Russians "have no love of people."

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Shultz's Bargain

Secretary of State George Shultz proposed a bargain with Japan the other day — and the right kind of a bargain. It is time for Japan to open its markets wider, particularly for agricultural products and in government procurement. In anticipation of greater access for U.S. products, as Mr. Shultz put it, the Reagan administration will continue to oppose protectionist legislation in Congress.

Japan's barriers to imports are more important as politics than as economics. The difficulties in exporting certain categories of goods to Japan have become an issue almost to the point of obsession with several U.S. industries. But the potential sales there are not large enough, by any reasonable estimate, to make any great difference in the balance of trade or to the Japanese economy as a whole.

These barriers are mostly traditions inherited from a time when Japan was less rich and a good deal less self-confident. Probably the least defensible of the agricultural policies is the one that keeps imports of meat down to a trickle and holds prices in Japan outrageously high. Among other things, it is an unjustifiable burden on Japanese consumers.

Japanese government procurement policy attracts attention because the issue here is chiefly high-technology equipment for the national telecommunications system. In the past, Japan kept most of this field closed to foreign-

ers to keep its own manufacturers from being suffocated by the overwhelmingly strong American companies. But the Japanese industry is no longer an infant.

The Reagan administration and, for that matter, Congress have done pretty well on balance in the endless struggle to keep the American market open to all comers. The administration has made compromises, but some were hardly avoidable and most have been temporary. Congress has done a lot of shouting and ritual sword-waving, but most members are well aware of the damage that protectionist legislation inflicts. Unfortunately, it is very possible that moods can change over the coming year as American trade deficits get worse, unemployment stays high and elections get closer.

That is the prospect that concerns Mr. Shultz as well as a good many other people in Washington. And that is why Mr. Shultz proposed his bargain to the Japanese.

It is aware that, under Prime Minister Yasuhiro Nakasone, Japan is enjoying stronger and more decisive government than it has had for many years. One of the attributes of a competent government is that it does not allow third-rate issues like beef and electronic switching gear to become intractable, inflammatory and disruptive.

—THE WASHINGTON POST.

Industrial Policy

All the Democratic presidential aspirants are for it. President Reagan has just appointed a commission to look into it. Industrial policy: Sounds important. What is it?

So far, it is an idea in search of definition. Until defined, it is just a slogan.

In its barest essentials, industrial policy means a coordinated federal strategy to reinvigorate the economy. The aim is to revitalize struggling old industries and promote promising new ones, create jobs and, not incidentally, win elections.

Interest in industrial policy was given new impetus by the recent recession, as well as the stunning success of Japanese industry in the United States. Clearly, the American economy has lost some of its edge. Heavy industries are being bested by foreign competition. Even complete recovery from the recession is not likely to cut unemployment below 6 percent. If Reaganomics cannot solve these problems, then what is the alternative?

The answer, in more than two dozen bills introduced in Congress this year (mostly by Democrats), is some kind of industrial policy mechanism. All the proposals would create a federal body — some with business and labor membership — to assert national industrial priorities. The most extreme plans would also give the new agency billions of dollars with which to assist specific industries — and the power to dictate to them.

What a temptation these various plans of-

fer: a master plan to make things right. But what a risk, too. For one thing, master planning of a peacetime economy contradicts the American tradition of unfettered competition — in reality often overridden, but a fundamental faith nonetheless.

Can any federal agency improve on the wisdom and flexibility of the vast complex of the American economy?

It is not as though industrial policies elsewhere have been so uniformly successful. Even Japan, everyone's model, has reversed course on occasion. Its planners forced development of an aluminum industry and now they are forcing it to cut back.

In Western Europe, by far the most productive country is West Germany, which has the least centralized economic control — though more so than the United States.

Any country can benefit from better coordination of national economic policies. But the industrial policy proposals, though clothed in exciting prospects for the high-tech sector, also offer a cloak to steel, autos, textiles and other industries that have failed to keep up with foreign competitors. The potential for political log-rolling to protect the weak is enormous.

As a phrase, "industrial policy" is here to stay, at least for a while. How about the idea? Perhaps Congress or the president's commission can give it shape and weight as well as hopeful promise.

—THE NEW YORK TIMES.

Software Copyrights

It stretches the imagination to consider coded instructions to computers — software — as the sort of "means of expression" that the Founding Fathers intended to protect by copyrights. But while computer programs are rarely distinctive enough to qualify for a patent, and typically change too fast to make it worth the time and effort to obtain one, the courts and the United States Congress have gradually extended copyright coverage to specialized programs stored on external devices such as disc packs.

Now a federal appeals court has addressed the question of whether such protection can also be granted to instruction sets that are built right into the computer's circuits — a process that has become increasingly feasible as the price of memory chips has fallen and their computational capacity has increased. Apple Computer Inc. had sued Franklin Computer Corporation, a small company that had duplicated one of Apple's most popular models. Franklin argued that Apple's sophisticated operating system was not protected because, unlike most operating systems, it was built right into the computer's hardware.

The Philadelphia appeals court, finding this a distinction without much practical differ-

ence, ruled for Apple. It is not hard to agree with its decision. If it is important to provide an economic incentive for innovators to produce ever more capable software — and it is — there is no good reason to discriminate against types of software on the basis of where they make their permanent homes. Good software systems are expensive to produce. Some companies, notably IBM, have encouraged competitors to write software for their machines. But other companies, which see more advantage in building specialized functions into their machines, will be discouraged from making the needed investment if they know that a competitor can knock off a cheap copy.

It is easy, however, to overstate the importance of the court's decision. You cannot copyright an idea. Deciding whether a particular computer program is an out-and-out copy of an original form of expression or a legitimate variation or enhancement will, no doubt, keep lawyers and judges busy for years. But does it make sense to continue bending the traditional patents, copyrights and trade secrecy laws to cover the rapidly changing field of high technology? Would not new, more flexible forms of protection be better?

—THE WASHINGTON POST.

Other Opinion

Partition of Lebanon Looms

Now there looms the nightmare of an eventual partition of the country with Israel occupying the south, the Syrians the Bekaa Valley to the east and parts of the north, leaving President Gemayel's authority and control

confined to Beirut and the immediate area. For the rest, private armies — Christian and Moslem — would be left fighting for their own localized areas on security grounds. American diplomacy must somehow try to avert this.

—The Daily Telegraph (London).

What the Boeing Incident Says About Russia

By Flora Lewis

PARIS — The most important question provoked by the shooting down of South Korea's Boeing 747 is the relation between political and military decision makers in Moscow.

Soviet submarines, at least some with nuclear weapons, have put the question even more bluntly in territorial waters off Scandinavia for over a year. In the Baltic and around Norway, the behavior is not a single response to an urgent situation but a repeated and consistent pattern.

Where there is conflict between evident Soviet political interests and what is perceived as military interests, the admirals and generals seem to keep winning. Important Swedish and Finnish officials have begun to wonder whether Yuri Andropov, the Soviet leader, can really impose political control on his armed forces.

There can be no more grave issue in the age of nuclear superpowers.

Moscow's refusal so far to explain details of the attack that killed 269 passengers and crew members off Sakhalin Island compounds the problem. There are many unanswered questions still surrounding the incident.

The missile attack has had a tremendous impact on world opinion. The plan to deploy U.S. missiles in Europe this winter is being seen in a new light. The West has once again received an unexpected policy boost from Moscow.

But it is vital to strip away the polemics and natural emotional outrage to get as near to the facts as possible, so as to see the implications. Washington should quickly disclose as many details as it can. This is needed to prevent any misleading silences from becoming a political

boomerang after the explosion of rhetoric, as well as to identify some new measures to curb icky trigger fingers.

The apparent absence of communication between the Boeing and its air control, or between Soviet interceptors and the Boeing is bothersome. The Russians claim they gave warning and got no response. Was the Boeing's radio dead? Was no other traffic recorded than Soviet air-to-ground messages?

Surprisingly, the Russians' mention of the U.S. electronic eavesdropping plane that was patrolling in the same region was late and indirect, though they claim that the Korean airliner was on a spy mission. Apparently, they destroyed the 747 in frustration when they thought it was getting away without capture.

In any case, the existence of spy planes in international air space has been given a certain legal justification by insistence on "national means of verification" in arms control treaties. Moscow's point is to prevent on-site inspection. But it implies that both the United States and the Russians have a right to spy so as to monitor tests and treaty-limited installations, not only by satellite.

Whether or not they admit their dereliction, the Russians have had a substantial setback. Their political leaders, if not the military, must be interested in finding ways to prevent such mistakes at critical moments. It would enhance the West's security to encourage the search.

It may never be known whether the decision to fire was the result of rigid standing orders or a deliberate judgment in this case. Either conclusion is frightening. But worse is the added implication, from events in Scandinavia, that political factors may not weigh much when Soviet military men want to act.

The Swedes are puzzled by persistence of Soviet forays in their waters. The only one Moscow has acknowledged is the Whiskey-class submarine that ran aground in 1981. But the intrusions, which have changed Swedish attitudes about a Baltic nuclear-free zone and U.S. missiles in Europe, are continuing. One Swedish Defense Department theory is that the Russians are practicing hiding in their neutral, well-mapped waters in the event of war.

Soviet determination to pursue these moves and to destroy the Korean plane is so counterproductive politically that it requires serious probing. The White House is right in not suspending political-military talks with the Russians. It is more urgent than ever to make sure Moscow understands Western views, and try to learn how the Kremlin is reasoning.

There is a case for developing the rudimentary U.S.-Soviet military contacts. A conference on "confidence-building measures" in Europe is scheduled for Stockholm in January. There is not much confidence, but with so many arms in a world of so little rational order, secrecy can be a security weakness, not an advantage. The West should propose a new, expanded version of President Eisenhower's mutual "spies in the skies."

The New York Times.

Gold Bonds West Must Not Abandon Latin Debtors

By Jeffrey E. Garten

NEW YORK — On the first anniversary of the Latin American debt crisis this week, no one will celebrate, least of all the economic ministers of the Western Hemisphere gathering in Caracas to take stock and share miseries.

The major issues before the conference, sponsored by the Organization of American States, are how to revive Latin America's dead-in-the-water economies and how to avoid future confrontation between debtors and creditors — problems that are almost intractable. As always, Washington will be in the hot seat.

It has been a year of near-defaults and multibillion-dollar rescue packages. When the crisis began, it seemed that global banking was threatened, but as the dust settles it is the debtors, not lenders, that are in big trouble.

Situations vary. Mexico has halted its economic decline; Brazil's bailout has failed; Venezuela has yet to address its problems. But overall, Latin America's \$300-billion debt has created an economic and social calamity. The austerity now is beginning to choke. Growth has gone into reverse gear for the first time since World War II. Unemployment hovers in the 20 percent to 40 percent range. The productive business sector is devastated everywhere.

A vicious cycle is at work. Latin America needs large infusions of hard currency to fire up growth. But no one will lend until growth takes off. The longer lenders wait, the more conditions deteriorate, making it even more difficult for debtor countries to borrow.

This catch-22 dilemma paralyzes everyone. Bankers are running for cover and want Western governments

and Japan to ante up more money. The United States and its industrialized partners can barely scrape up enough funds to keep the International Monetary Fund in business. (It was Venezuela that started the Organization of Petroleum Exporting Countries.)

Because the United States is seen as having the world's pre-eminent economy, and as the only nation with the clout to mobilize resources from other major nations, the ferment in Caracas will depend on how Latin America judges U.S. willingness to help ease debt strains.

After some foot-dragging, Washington has been extremely effective in helping avert Third-World defaults and in protecting the Western banking system. Now comes the hard part: dealing with the debtors' economic reconstruction.

Neither a new Marshall Plan or an Alliance for Progress nor a grand program to write off part of the Third World's debt is politically feasible. There are, however, two imperatives: An expansion of international lending through the International Monetary Fund and the World Bank, and an unprecedented effort to keep open the U.S. market to fairly priced Latin American goods.

These may not sound like grandiose initiatives, and they would fall short of what many countries would like us to do. But even they would require overcoming enormous Congressional resistance. And a push to expand lending and trade would go a long way to giving other economies in the Western Hemisphere a fighting chance.

The writer, a vice president of the investment banking firm of Lehman Brothers Kuhn Loeb Inc., contributed this article to The New York Times.

Echo From Eisenhower on Nuclear War

By David S. Broder

WASHINGTON — Something has come into my hands that I think is worth sharing. Prof. Fred I. Greenstein of Princeton University, author of "The Hidden Hand Presidency," a study of President Dwight D. Eisenhower, has called my attention to a letter Eisenhower wrote 27 years ago which he says has never been published in full.

With the permission of the president's son, retired Gen. John S.D. Eisenhower, I am giving it circulation through this column. I think it is as important a statement on nuclear war as I have ever read.

Richard L. Simon, president of the publishing firm of Simon & Schuster, wrote Eisenhower on March 28, 1956, calling attention to a column by Joseph and Stewart Alsop on the Soviet military threat, and urging "that a crash program for long-range airpower and missiles" be given the highest priority, as they recommended.

This is the Eisenhower reply of April 4, 1956:

"Dear Dick: Thank you for your letter, which brings up subjects too vast to be discussed adequately in a letter. Suffice it to say here that I doubt that any columnist — and here I depend upon hearsay as I have no time to read them — is concerning himself with what is the true security problem of the day. That problem is not merely man against man or nation against nation. It is man against war.

"I have spent my life in the study of military strength as a deterrent to war, and in the character of military armaments necessary to win a war. The study of the first of these questions is still profitable, but we are rapidly getting to the point that no war can be won. War implies a contest; when you get to the point that contest is no longer involved and the outlook comes close to destruction of the enemy and suicide for ourselves — an outlook that neither side can ignore — then arguments as to the exact amount of available strength as compared to somebody else's are no longer the vital issues.

"When we get to the point, as we one day will, that both sides know that in any outbreak of general hostilities, regardless of the element of surprise, destruction will be both reciprocal and complete, possibly we will have sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die.

"The fullness of this potentiality has not yet been attained, and I do not, by any means, decry the need for

strength. That strength must be spiritual, economic and military. All three are important and they are not mutually exclusive. They are all part of the product of the American genius, the American will.

"But already we have come to the point where safety cannot be assumed by arms alone. But I repeat that their usefulness becomes contrived more and more in their characteristics as deterrents than in instruments with which to obtain victory over opponents as in 1945. In this regard, today we are further separated from the end of World War II than the beginning of the century was separated from the beginning of the sixteenth century.

"Naturally, I am not taking the time here to discuss the usefulness of available military strength in putting out 'prairie fires' — spots where American interests are seriously jeopardized by unjustified outbreaks of minor wars. I have contented myself with a few observations on the implications of a major arms race.

"Finally, I do not believe that I shall ever have to defend myself against the charge that I am indifferent to the fate of my countrymen, and

I assure you that there are experts, technicians, philosophers and advisers here, who give far more intelligent attention to these matters than do the Alsops.

"With warm regard, sincerely, Dwight D. Eisenhower."

The letter was marked "personal and confidential." But if ever there was a message that echoes across the decades, it is this one.

In eight paragraphs, the remarkable man who led the Allied armies to victory over Hitler and served the nation as its last two-term president, distilled a lifetime of wisdom.

There is one sentence which deserves to be carved in stone, or better, imprinted on the mind of anyone who occupies the Oval Office. Just read it slowly — clause by clause — and think about it:

"When we get to the point, as we one day will, that both sides know that in any outbreak of general hostilities, regardless of the element of surprise, destruction will be both reciprocal and complete, possibly we will have sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die."

The Washington Post.

UN Troops Are Needed In Lebanon

By Jonathan Power

NEW YORK — Lebanon every day becomes more supercharged. The Israelis are conducting their partial withdrawal, leaving behind a dangerous vacuum in the Chuf Mountains.

A week ago two U.S. soldiers and three French troops were killed in a gun battle that occurred when the multinational force of Americans, Italians, French and British got caught in a fight between the Moslem military and the Lebanese Army. Now two more marines have died in the fighting.

The multinational force appears to be in its head. It has neither the manpower nor the unified command system and political control necessary to enable it to be both disciplined and flexible.

Consider the incident a week ago: The colonel in charge of U.S. forces in Lebanon acted on his own when he ordered new U.S. positions. His action nearly provoked a major confrontation. The White House immediately jumped to his defense and blamed the Moslem militiamen, and by implication the Syrians and the Russians.

The Pentagon was more cautious. It issued a statement, barely noticed at the time, that said the mortars that landed on U.S. troops had been mis-targeted; they had been meant for Lebanese Army positions. Now the administration has been building actively on the Pentagon statement to invoke the War Powers Act, which could allow Congress to force the withdrawal of the American contingent.

There are at least two problems here. If, as could happen, U.S. troops are intentionally fired on — and if they retreat — they will have shown that they are a peace-keeping force of little value. Further, the command structure of the multinational forces has shown itself to be dangerously weak. Its political authority is vested in a committee of the American, French, Italian and British ambassadors in Beirut. In a time of swift-moving events it is cumbersome to the point of being almost irrelevant.

If the Lebanese situation continues to grow more dangerous, some serious rethinking needs to be done on the role of the multinational force. The newly constructed Lebanese Army does not have the manpower or the experience to take over effectively from the Israelis.

And the Druze-Christian antagonism in the Chuf will work to deepen the rifts in the precariously balanced Lebanese Army, perhaps provoking its disintegration. Can the multinational force take its place? The evidence of the last week would suggest it cannot.

What is needed is a well-disciplined international force with an integrated command structure, a broad political base and a clear line of political authority. It must have a commander-in-chief who has the tacit support of all parties.

Only one body can do this — the United Nations' peace-keeping forces. For the four Western countries of the multinational force to sidestep the United Nations is beginning to look like a bad mistake.

In Israel, there is rethinking going on over the role of UN peace-keeping forces. The Jerusalem Post, in editorial earlier this summer on the UN Interim Forces in Lebanon, said that "after years of bitter and usually exaggerated criticism of UNIFIL by Israeli government officials, Israel is pressing the contributing nations not to leave and is casting about for a new future for this much-depreciated force."

This sentiment was echoed Aug. 18 in a meeting of the ruling Likud coalition. It was reported on Israeli radio that General Ariel Sharon was calling for severe reductions of the Israeli forces in Lebanon on condition that the UN forces deploy between them and the Syrians in the Bekaa Valley.

The UN peace-keeping forces, though they accomplished little during last summer's Israeli invasion of Lebanon, have shown many times that they can be effective in volatile situations.

The rub, of course, is that the UN forces will never be deployed unless the Soviet Union concurs. But the United States, if it is to be practical, must realize that there can be no peace in the Middle East without the involvement of both the United Nations and the Soviet Union.

International Herald Tribune.

LETTERS TO THE EDITOR

Nuclear Danger

Regarding "Too Much Bluff" (IHT, Letters, Aug. 3):

A few days ago a reader argued that we are being threatened not so much by the bickering of the superpowers, as by the very real danger of nuclear proliferation.

I entirely agree. The government of the United States and the Soviet Union should, before it is too late, put their differences aside and urgently confer on how to stop the spread of nuclear arms. More than anything else, it is in the vital interest of us all that those instruments of mass destruction should not offer frustrated dictators a chance to hold the rest of the world at nuclear ransom.

B. R. VAN DER STEENHOVEN.

Luxembourg.

Clerical Power

Regarding "Jackson Panel Will Push to White House" (IHT, Aug. 9):

I fail to see the Rev. Jesse Jackson, or any other member of any clergy, as qualified to run for the presidency of

the United States. We are a nation whose founding fathers had the good sense to stress the importance of "separation of church and state." In practice, this has not always been completely successful, but, in theory, it works. The law provides the means to defuse the demagoguery of a Father Coughlin, a J. Wesley Swift, a Jerry Falwell or a Bob Jones among any other ayatollahs who might gallop to high office.

How much chance would we have if such characters occupied the Oval Office, with power over the cabinet, the FBI and the CIA not to mention the armed forces? Such religious leaders can do enough good, or damage, from their pulpits but not one — whether Protestant, Catholic, Jewish, Muslim, Hindu or whatever — has ever been in touch with the reality of this world to wield the kind of power any U.S. high office demands today.

MARIAN FRASER CONVERSE.

Brussels.

The Face of Russia?

Regarding "The Madrid Conference Was a Charade" (IHT, Aug. 21):

Mr. George F. Wills' dissertation on the Madrid Conference was to the point. I regret that Mr. Wills and Max Kampelman, the chief U.S. delegate, have given up hope that the Russian mind will never accept human rights in the manner the United States and other nations do.

The thinking process, and mentality of most nations have their own stamp of individuality. Conditioned through the centuries, cultural and economic factors create the background for their mentality. How can we expect some countries to think like us?

Why should a nation as powerful as the Soviet Union be so fearful of a dissident voice? They can be made to realize that a dissident voice offers no threat to their government.

Constructive criticism is of high value. Playing the ostrich game belittles the Russians. Freedom and self-expression is an undeniable facet of men. How can the Russians gain the respect of the world when their actions regarding human rights is so disrespectful?

HARRY HILLER GREENE.

Malaga, Spain.

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N Troops re Needed in Lebanon

by Jonathan Power

NEW YORK — Lebanon's day becomes more and more bleak. The Israeli occupation of the south is a dangerous vacuum in the north. Two U.S. soldiers were killed in a battle that occurred when the multinational force of American, French and British troops in a fight between the Lebanese army and the Lebanese army. The multinational force appears to be over its head. It has no power over the unified command and political control of the country. It is not to be considered the incident a work of Lebanon acted on its own. The new U.S. positions, the nearly provoked a major operation. The White House is jumping to his defense. The implication of the Syrian military. The Pentagon was more concerned. It issued a statement, barely mentioned the time that said the Lebanese army. U.S. troops had been ordered; they had been ordered; they had been ordered. The Lebanese army. The Pentagon was more concerned. It issued a statement, barely mentioned the time that said the Lebanese army. U.S. troops had been ordered; they had been ordered; they had been ordered.

Japan Reassures China That Its Arms Buildup Is Only for Self-Defense

By Michael Parks

BEIJING — Japan reassured China on Tuesday that its strengthened defenses do not mean a revival of aggressive Japanese militarism but are a response to the Soviet military buildup in the Far East. The Japanese foreign minister, Shintaro Abe, said here at the end of three days of ministerial talks that "Japan never intends to become a big military power." Mr. Abe rejected recent charges in the Chinese press that a revival of Japanese militarism was underway as a part of government efforts to strengthen Japan's defense forces. "The Japanese people are all determined not to make war," Mr. Abe said. "This is clear in the Japanese constitution as well as in the history of Japanese diplomacy." Since World War II, he described Japanese military policy as being "solely, exclusively devoted to self-defense." Mr. Abe had explained Japan's defense policies in detail during the three days of talks. He referred often to the Soviet Union's continuing deployment of medium-range SS-20 missiles in Asia and the growth in the past five years of the Soviet Pacific fleet and Far East air force. Mr. Abe and Foreign Minister Wu Xueqian of China both denounced the Soviet downing of the South Korean civilian plane last week off Sakhalin Island north of Japan, according to participants in the meetings. They also discussed the offer by Yuri V. Andropov, the Soviet leader, to destroy any SS-20s withdrawn from Europe rather than transfer them to Asia, where 108



A Chadian standing guard at a makeshift hut on the road to Abéché in northern Chad.

Libyan-Backed Rebel Forces Launch Third Attack on Key Chad Position

NDJAMENA, Chad — Libyan-backed rebels Tuesday attacked the government garrison at Oum Chalouba in northeastern Chad for the third time in five days, the information minister, Mahamat Soumaila, said. He said 2,000 Libyans and 1,000 mercenaries supported by armor and artillery launched an assault but were repulsed. He said the fighting continued in the afternoon. Government officials deny that French troops or aircraft backed the rule of President Hissène Habré against his rebel rival, ousted President Goukouni Oueddei, were involved in any clashes. Mr. Soumaila said the ground attack, resembling a strike last Friday which the government said cost the rebels 800 dead and the government 15 losses, came after two waves of bombings Monday. Mr. Soumaila said six Libyan aircraft, which he identified as Soviet-built Sukhoi and Tupolev bombers, bombed Oum Chalouba for 90 minutes, causing civilian casualties and severe damage to military equipment. He gave no further details. Mr. Soumaila said that when 3,000 rebels charged last Friday, 600 were taken prisoner, most of them Sudanese. The government is charging that Libya forces Africans working there to fight in Chad. Government sources said large

U.K. Unions Vote to Talk With Tories Ireland Going to Polls On Anti-Abortion Issue

By Jon Nordheimer
New York Times Service

DUBLIN — After months of debate, confusion and sectarian division, Irish voters will decide Wednesday whether to write a strong anti-abortion amendment into the constitution. "Never in our history have we seen a campaign that was so bitter and divisive as the present one," Dick Spring, a leader of the Irish Labor Party, said during the weekend. "Neighbor has been turned against neighbor. Eminent professional men have bitterly denounced each other in public. The churches could hardly be farther apart. Colleagues in the same political party have launched personal attacks on each other." Abortion is illegal in Ireland in all but the most extreme cases where a mother's life is threatened by a pregnancy. But in the last two years, anti-abortion forces, with the support of the Roman Catholic Church and the Irish Republic's two main political parties, have managed to put the constitutional change to the voters in a national referendum. Supporters of an amendment have argued that existing statutory laws against abortion could be overturned by liberal forces in the future or by new court interpretations of the law. The constitution itself, they said, bad to specifically guarantee the right to life to keep abortion out of Ireland. Those who have campaigned against the amendment countered that the additional safeguards were not necessary since there was no groundswell of popular opinion to liberalize the law in a land where divorce is not allowed and contraceptives are available only through medical prescription. Most Irish women who want to terminate a pregnancy go to England, where they can have an abortion on demand. Those who oppose the amendment said that changing the constitution to place the life of "the unborn" on equal footing with the life of the mother could contribute to the death of more women than now occur. Moreover, they argued, introducing the anti-abortion language strongly favored by the Catholic Church could undercut recent moves within the Irish Republic to promote discussions with Protestants in Northern Ireland to find a basis for reunification. Protestant and Jewish leaders in the Republic have spoken out against the amendment, saying that it would impose the moral teachings of the Catholic Church on everyone in the country. About 5 percent of the population is non-Catholic. During the weekend, Prime Minister Garret FitzGerald urged rejection of the constitutional change, adding that he regretted that he had initially endorsed the measure when it came up during last year's election campaign. Despite much opposition in leadership circles, the amendment is expected to be approved by a wide margin. What voters are being asked to approve for inclusion in the constitution is this paragraph: "The state acknowledges the right to life of the unborn and, with due regard to the equal right to life of the mother, guarantees in its laws to respect, and, as far as practicable, by its laws to defend and vindicate that right." Even after months of debate, the public continues to appear confused by the issue, with many still convinced that if they fail to support the change, abortion will somehow get a legal foothold in Ireland.

Quiet Veteran Is Picked To Top Peronist Ticket

By Jackson Diehl

WASHINGTON Post Service
BUENOS AIRES — Italo Luder, a veteran politician known for quiet political skills rather than crowd appeal, won the presidential nomination of Argentina's Peronist Party Tuesday after a national convention that left the party wounded by internal feuds but still favored to win next month's national elections. Mr. Luder, 66, who served as Senate president and interim national president during the Peronist government that was overthrown by the military in 1976, was named by acclamation. He had previously been endorsed by a majority of the party leadership after negotiations last month that led to the withdrawal of rival candidates. The nomination, which followed two weeks of bitter and occasionally violent feuding in provincial halls and courtrooms by rival party factions, marked an uneasy accommodation by the Peronist movement to a new structure of leadership after its failure in Argentina's last civilian government and more than seven years of military rule. Mr. Luder was the first Peronist presidential candidate not selected by the party's founder, Juan Domingo Perón, who dominated both Peronism and Argentine politics between 1945 and his death in 1974. The party ticket was also selected without the intervention of Peron.

Hungary Misses Production Goals

BUDAPEST — Hungary's agricultural and industry have failed to meet their 1983 production targets, due partly to the country's own errors, according to a senior Communist Party official. "We had anticipated a record harvest in agriculture, but these hopes have been destroyed by drought," the secretary of the Central Committee, Ferenc Havasi, said in a speech Monday reported by the news agency MTI. In addition, the economy would not fulfill plans for industry, national income and export targets, Mr. Havasi said. "On the one hand this is because of difficulties in sales in the world market, and on the other hand because of our own mistakes," he said without elaborating. Despite the setbacks, Hungarian economic priorities remained stable, he added.

Chana Plans to Reopen Its Border With Togo

Reuters

ABIDJAN, Ivory Coast — Ghana is to reopen its border with Togo, which was closed a year ago to prevent smuggling and currency trafficking, Accra radio reported Tuesday. The radio said Togo was taking steps to reopen its side but did not make clear whether the two governments had concurred their action.

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ARTS / LEISURE

'Daniel' and the Rosenbergs

By Peter Kihss

New York Times Service

NEW YORK — Much of the movie "Daniel" derives from the case of Julius and Ethel Rosenberg, who were executed for atomic espionage conspiracy in 1953. How close is the film to history?

E.L. Doctorow and Sidney Lumet, executive producers of "Daniel," say that the Rosenberg case "inspired" both the film and Doctorow's 1971 novel, "The Book of Daniel," on which the film is based. But they assert: "There is no attempt here to be historically accurate."

Many artists have created a fictional work borrowing from — or changing — history. Shakespeare and Tolstoy, among others, did so. However, the Rosenberg case is still close to the present, still has political impact and still arouses passions — witness current interest in two new books about the Rosenbergs with differing interpretations of recently released documents — and consequently it is especially important to separate fact from fiction in this instance.

Three questions come up: First, where does the film parallel or differ from the actual case? Second, does the film offer its own verdict of innocence or guilt? Third, does the film make any political statement?

To begin with, the movie tells the story of Paul and Rochelle Isaacson, who are executed after conviction for their conspiracy to commit atomic espionage. This drama is seen largely through the eyes of their children. The result is that the film is emotionally charged from the very start. But there are also a number of factual differences.

One major departure in the movie is the portrayal of the chief witness against the Isaacsons. The Rosenbergs, the only Americans executed on a conspiracy conviction, had as their main accuser David Greenglass, Ethel Rosenberg's youngest brother. Greenglass testified that he gave Julius Rosenberg notes and sketches in January and September 1945 on the design of the implosion-principle atomic bomb, which was later exploded over Nagasaki. Ethel, he said, typed up his handwritten notes in September. Before the trial he had denied any complicity by his sister. Greenglass served nearly 9½ years of his 15-year sentence. He was freed in 1960.

In the movie, the chief accuser is a dentist, who is a neighbor, and the audience is given no detailed information about what he testified concerning the alleged spying. We are told that the dentist, who is not a relative, names the fictional

Isaacsons as principals after his own arrest.

Also in the movie, the federal prosecutor and trial judge refer to the defendants' backgrounds as Communists — an inflammatory label at that time — to show "motivation." At their trial, the Rosenbergs invoked constitutional privileges against self-incrimination.

There are also a number of major and minor differences between the Rosenbergs and the fictional Isaacsons. Julius Rosenberg had been a New York City College student during the Depression, as had the movie character, Paul Isaacson. Julius Rosenberg graduated with a degree in engineering in 1939. Ethel Rosenberg was not a fellow collegian as the character of Rochelle is in the movie; she went to work after graduating from high school.

In World War II, Julius Rosenberg was a civilian electronics inspector for the Army Signal Corps, rather than a uniformed pro-Soviet soldier, as is the movie character.

Rosenberg was dismissed from his job in February 1945 as a security risk because he had been a member of the Communist Party, which he denied in the army investigation. No such episode or reference appears in the movie.

After the war, Rosenberg became the co-owner of a Lower East Side machine shop with Greenglass and two other men. The movie character is the lone operator of a tiny radio sales and repair shop in Queens.

There are significant differences between the real and the fictional children, too. The Rosenbergs had two sons — Michael, born in 1943, and Robert, born in 1947. The real sons use the surname Meeropol. They were legally adopted in 1957 by Abel Meeropol, a writer, and his wife, Anne, a teacher.

The brothers identified themselves publicly as the Rosenberg sons in 1973 when they sued the lawyer Louis Nizer over his book, "The Implosion Conspiracy." Their suit — later settled on terms not made public — charged copyright violation in the use of their parents' death-house letters, defamation and violation of privacy.

In the movie, one child is a girl, who becomes involved in anti-war demonstrations during the Vietnam war, and later advocates revolution. The older child, Daniel, is only moved to reexamine his parents' lives after his sister attempts suicide and later dies.

The Rosenbergs' trial counsel was Emanuel H. Bloch. His defense effort was later derided by Rosenberg sympathizers for, in effect, agreeing that there had been a theft of important atomic secrets and for failing to cross-examine Harry Gold, Gold earlier had confessed to being a spy courier for Klaus Fuchs, a British physicist who ad-

Film Has No Clear Target

By Janet Maslin

New York Times Service

NEW YORK — When a film begins the way "Daniel" does, it's being either very foolhardy or very brave. The opening image is that of the narrator in tight close-up, scowling furiously as he describes the process of electrocution. Moments later, we see this same young man at a family dinner, sounding no less bitter or sarcastic as he quarrels with his younger sister, who is herself equally enraged. It's a daunting beginning, at the very least. Any audience is bound to be uneasy in the presence of such an abrupt outburst of anger.

Rage is at the heart of "Daniel," a film about children whose parents have been executed on political charges, and whose story bears unmistakable resemblances to the controversial Rosenberg case. The rage exists on both the personal level, since the two young principals obviously feel greatly aggrieved, and on a broader political plane; while the film avoids explicit evidence as to the guilt or innocence of the executed couple, it expresses enormous outrage over their fate.

Had these larger political concerns been more successfully articulated and linked to the personal development of its characters, then "Daniel," independent of any debate as to its historical justification, might have been formidable in its fury. Instead, its indignation becomes aimless and dissipated, though it is no less abrasive for its lack of a clear target. "Daniel" mixes fact and fiction freely, yet it never strikes a successful balance between developing its characters and presenting a clear and coherent attitude toward the events in which they are implicated. The audience is allowed neither a close understanding of these characters nor any clear knowledge of what they stand for or what they've done.

Foremost in the mind of anyone who's heard about "Daniel" is doubtless the question of whether or not this is indeed a film about Ethel and Julius Rosenberg. This isn't a question that wholly vanishes after the film has been seen. Its narrator is the son of Paul and Rochelle Isaacson (Mandy Patinkin and Lindsay Crouse), a couple who, like the Rosenbergs, have been implicated in conspiracy to commit espionage, and who are subsequently executed. Much about the Isaacsons' story, which is presented as a series of golden-hued flashbacks that interrupt Daniel's late-1960s narrative, evokes the Rosenbergs. For instance, the Isaacsons' electrocution sequences, which are presented in elaborate detail, closely match accounts of the Rosenbergs' final moments. However, the specific issues of the Rosenberg case are not addressed. And "Daniel" makes no attempt to insure that its evocations of the affair are identifiable or even consistent.

mitted spying for the Soviet Union. Gold testified to once having received material from Greenglass.

In the movie, the defense lawyer's widow contends that the fictional Isaacsons used and destroyed other people. She also says that they stymied her husband, who defended them at their trial, by refusing to let other witnesses be called. The Rosenbergs, at their trial, were their only defense witnesses.

In the movie, the daughter of the chief prosecution witness says that the Isaacsons headed a spy network involving many things never disclosed at the trial. In the actual Rosenberg case, federal atomic agency officials barred Greenglass from testifying about experiments on using smaller quantities of uranium or plutonium to make bombs. Federal investigators tried to find proof of wider espionage, but were not able to get sufficient proof to introduce it at the trial.

Does the movie decide on the innocence or guilt of the Isaacsons? In the film, Daniel Isaacson tries but fails to find out if his parents

were innocent of plotting to get defense secrets for the Soviet Union. He comes up with a theory that another couple might have been real spies, and that they were somehow protected and able to flee. The film leaves the issue unanswered.

The real Rosenberg sons wrote a book in 1975 called "We Are Your Sons: The Legacy of Ethel and Julius Rosenberg." In it, they insisted that their parents were innocent and "framed."

A new book, "The Rosenberg File: A Search for the Truth," by Ronald Radosh and Joyce Milton, makes use of some of the 200,000 pages of documents recently released. It contends that Julius Rosenberg was "coordinator of an extensive espionage operation." Ethel Rosenberg, it argues, "probably knew of and supported her husband's endeavors."

As to the film's aim, Doctorow and Lumet say that they want to show "three decades in the life of American dissent." They say that they explore "the effects of parents on children, of ideologies on life."



United Press International

Justo Gallego at work on the second level of his long-range building project.

One Man's Odd 'Cathedral'

By Dianne Klein

United Press International

MEJORADA DEL CAMPO, Spain — To a visitor unaccustomed to seeing such grandeur rise from behind drab housing projects, a monumental unfinished building seems almost comically misplaced.

It is huge — about half a city block — and after almost 17 years, its designer, financier and sole construction worker says he reckons it will take him another four years to finish the job.

Justo Gallego, a former seminary student and now a weathered 57, says he then plans to turn over his masterpiece to the town of Mejorada del Campo to be used as a religious edifice.

Until then you can find him at work six days a week laying bricks, pouring cement and gazing triumphantly over his creation.

La cathedral is the talk of Mejorada del Campo, a dusty little town some 10 miles (16 kilometers) north of Madrid. Townspeople offering directions to the site, directly behind Los Olivios housing project, say simply, "You can't miss it. They're right."

Some add with a grin, "It's a strange thing, very big."

The unfinished building is already somewhat garish with turrets, arches and pillars, a style Gallego unabashedly copied from Spain's Moorish ancestors.

Without any formal training in the building trade, Gallego set out

to construct his cathedral shortly after leaving a monastery in the northern Spanish province of Burgos.

He says that because the cold weather in Burgos aggravated an old soccer injury, he decided to leave the monastery before being ordained a priest and return to Mejorada del Campo, where his father had left him sizable land holdings.

It was there, he said during a recent interview, that the idea of single-handedly building a cathedral struck him.

"I still have the same beliefs as when I was in the monastery," he said, adding that he had no intention of preaching at his own structure.

Gallego sold off some of his inherited land to finance the project, and, he said, an anonymous aristocratic benefactor has also contributed.

An architect friend helped him with the plans. The city waived the construction permit because of Gallego's promise to donate the finished project to the town.

In return for a promise of land, a young cousin has recently helped Gallego to mix and shovel cement.

"I'm in a happy state. I have no doubts about what I'm doing," Gallego said as he peered down from a tower he was slapping together with bricks and cement.

Gallego, sporting a battered straw hat and at least a two-day growth of gray whiskers, seems indefatigable. His enthusiasm, which

he conveys with a toothy grin, is apparently contagious.

He boasts of the small donations he has received, of the offers of technical help and the encouragement of people who stop by to see what all the fuss is about.

"At first people thought I was just some kind of kook," he said. "But now they see the cathedral, see what I have done, and they are enthusiastic."

U.S. Films In Brief

CAPSULE comments on films recently released in the United States:

"Jaws 3-D," directed by Joe Alves, is set in Florida's Sea World. The action starts when a baby great white enters the Undersea Kingdom and is followed by its 35-foot-long mother. "It does not have the substance, the rich characterizations or even the sheer terror of the original," says Kevin Thomas of The Los Angeles Times, "but it is fast-moving and unpretentious. It makes good use of the 3-D process but with surprising restraint: its grisly moments, involving — natch — a killer shark on a rampage, are just gruesome enough in 3-D to suggest how much worse they could have been had the filmmakers allowed them to be."



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INSIGHTS

Eskimos Caught in Trap of Change

Despite Home Rule, Greenlanders Still Depend on Danes

By Stanley Meisler

Los Angeles Times Service

NUUK, Greenland — The images of cultural change and conflict come so quickly they seem like clichés. At the Hotel Greenland on Saturday night, young Eskimo couples, some of the women in tanned pants, for-trot to a Danish disco playing "I Can't Give You Anything but Love, Baby."

A few hours later, on Sunday morning, at the fish and meat market near the old harbor, Eskimos buy slabs of seal and porpoise, happily taking some raw hunks to a corner and munching on the spot, licking their fingers clean of the blubber.

Most Eskimos in Nuuk, the capital of Greenland, the world's largest island and a self-governing province of Denmark, now live in huge, ugly, concrete apartment blocks, a far cry from the traditional stone and sod family homes that served them in the Arctic for centuries.

The apartment blocks were built to European design by European workers with European materials, replicas of those monotonous clusters of buildings found in the working class suburbs of the large cities of Europe. In fact, just like Europeans, Eskimos can be spotted from time

to time wheeling their babies outside in strollers and carriages. But skins and antlers drying on the balconies of some apartments betray that this is Greenland.

There is another obvious cultural contradiction. The 42,000 Eskimos of Greenland have more political power than any other group of Eskimos in the world, for their enormous island, most of it uninhabitable, crushed under a sheet of ice thousands of feet thick, has had home rule since 1979. Eskimos here have a parliament and a government and a prime minister and, in theory, govern themselves in all matters but defense, foreign affairs and justice.

But a visitor to Nuuk finds that Danes run the hotels and the businesses and make the bureaucracy work. Most of the skilled and even semi-skilled work is done by Danes. There are Danish cabdrivers, chambermaids, secretaries and bank tellers. Danes are postal clerks, policemen, waiters and government administrators. Only two of Greenland's 55 doctors are Eskimo, and only one of its 25 dentists.

It is hard to know what to make of all these clichéd colonial images. The Eskimos of Greenland, known simply as Greenlanders here, are a people caught in excruciating change, in cultural conflict and in a need to control some of the

outside forces pressing on them. The results have not always been happy: alcoholism, wife abuse, venereal disease, unemployment and overcrowded housing are rampant. But in a world that will not let Eskimos alone, at a time when they do not really want to be left alone, the results somehow seem inevitable.

No Fervor for Independence

In a way that is out of step with the rest of the Third World, the movement for the independence of Greenland is not very strong. The opposition party, which actually won the most votes in the last election even though it failed to put together a coalition to govern, calls itself Atassut, Greenlandic for "Connections," and by that its leaders mean closer connections to Denmark. Only one small party calls for independence, and it controls only two of the parliament's 26 seats.

Asked about independence, Minister of Education Steffen Heilmann, who, like many Eskimos, has a Danish name, replied, "It will take many, many years. It will not happen in our time. Perhaps it will be in our children's children's time."

It is simply inconceivable to many of the Eskimos how they can ever run their island, a territory almost as vast as Western Europe yet with so few resources that it cannot support itself now either by traditional sealing and fishing or by modern industry. The island is administered with the help of 9,300 Danes and, perhaps even more important, with grants from Denmark of more than \$200 million a year. A Danish subsidy, in fact, covers more than half of the home-rule government's budget.

"Who would replace what Denmark gives them?" asked Philip Lauritzen, a Danish writer, in a discussion about independence. Married to an Eskimo and the author of a well-regarded book about the Arctic, Mr. Lauritzen is the director of information for the home-rule government.

The story of Greenland is not a well-known chapter in the history of colonialism, partly because Denmark was never a major colonial power and partly because the Arctic always seemed too harsh, too isolated, too poor and too sparsely populated to merit much attention.

Although there had been Viking settlements in Greenland as far back as the 10th century, the first modern and sustained European contact came with the arrival of a Lutheran missionary, Hans Egede, in 1721. As a result, Greenland's Eskimos have had a far longer relationship with Westerners than any of the other Eskimo communities in the world — the 30,000 in Alaska, the 25,000 in northern Canada, and the 2,000 or 3,000 in Siberia.

Paternalistic Colonialism

Greenland followed the usual pattern of a colony. Danish missionaries introduced a script form of Greenlandic and made almost all the Eskimos literate so that they could read the Bible. The Royal Greenland Trading Company, a government agency, ran all the commerce, buying skins from the natives and selling them manufactured goods from Denmark. Back in Copenhagen, there were always Danes who felt paternal about their country's Eskimos.

During World War II, the Nazi occupation of



Greenland's home rule government has ordered that Greenlandic be used for instruction in all of the nation's

schools. Danes still make up half of Greenland's teachers, though they are only about one-fifth of the population.

Denmark cut the mother country's communications with its colony. The United States used Greenland as an air base relaying war materials to Europe, and the American influx exposed many Eskimos to new consumer goods and such modern developments as electricity.

After the war, the Danes renewed their ties with Greenland. Many Danish journalists, in fact, discovered it for the first time. They were somewhat out prepared for the primitive poverty of the Eskimos, living in their dank traditional homes. Tuberculosis was rife. The average Eskimo male lived to the age of 32 and the average woman to 37.

After the stories came in, a shocked Danish public and a shocked Danish parliament felt that something had to be done. Eskimo leaders, exposed to some modern American ways during World War II, agreed. In 1953, the Danes decided to end Greenland's status as a colony and make it an integral part of Denmark, thus giving the Eskimos the same status and, in theory, the same opportunities as other Danish citizens.

A great process of acculturation began. Eskimos had to learn Danish and act Danish if they were really to become equal.

"At the beginning," said Robert Petersen, an Eskimo who heads the Inuit Institute, a fledgling, university-level center in Nuuk for research on Eskimos, "people had the feeling that all social problems would be solved if you only spoke Danish."

The modernization of Greenland received a second powerful boost in 1959 when the Danish government accepted recommendations by a royal commission that the government encourage most of the Eskimos to move from their tiny settlements to a few large towns on the less frigid west coast. The commission believed that only urbanization would make a large fishing industry with packing plants viable in Greenland. And only urbanization could provide the

centers for education, health and welfare needed by the Eskimos.

Modernization was so rapid and the changes so confusing and incomplete that the problems sometimes overwhelmed the benefits. There are stories of Eskimo children who spoke too little Greenlandic to communicate with their families and yet too little Danish to master their new life.

By the 1970s, a reaction had set in against the forces that were trying to devalue the Eskimo culture and language and turn Eskimos into Danes. Eskimo leaders began to demand some form of autonomy so that the Eskimos could try to save their language and culture and control the pace of change. After overwhelming approval by Greenlanders in a referendum, Denmark granted the island home rule on May 1, 1979.

Modernization carried a flood of Danes to Greenland. In 1953, when it began, only 1,400 Danes lived in the colony. Since then, their number has increased almost seven times.

The Eskimos had always had close and good relations with Danes. Inter-marriage was fairly frequent.

But Greenland was still not prepared for the host of Danes that suddenly fell upon it. In its haste to help the colony, Denmark sent crews of Danish workers to build the apartments and facilities that would serve the modern Eskimos, who were not considered skilled enough to do the work themselves.

Rivalry and jealousy festered. "The women liked the Danish workers," said another Danish journalist. "They were blond. They had money. They had education. They didn't treat them so rough. So the Greenlanders watched the Danes take everything — the jobs, the money, the women."

All this happened at a time when Eskimo men came to the towns and found it difficult to support themselves. They could no longer live

off hunting. Yet many had trouble finding jobs in town. "The lack of self-sufficiency in comparison with Danish workers has undermined the confidence of Greenlanders," said Mr. Egede, the principal of the Teacher's Training College.

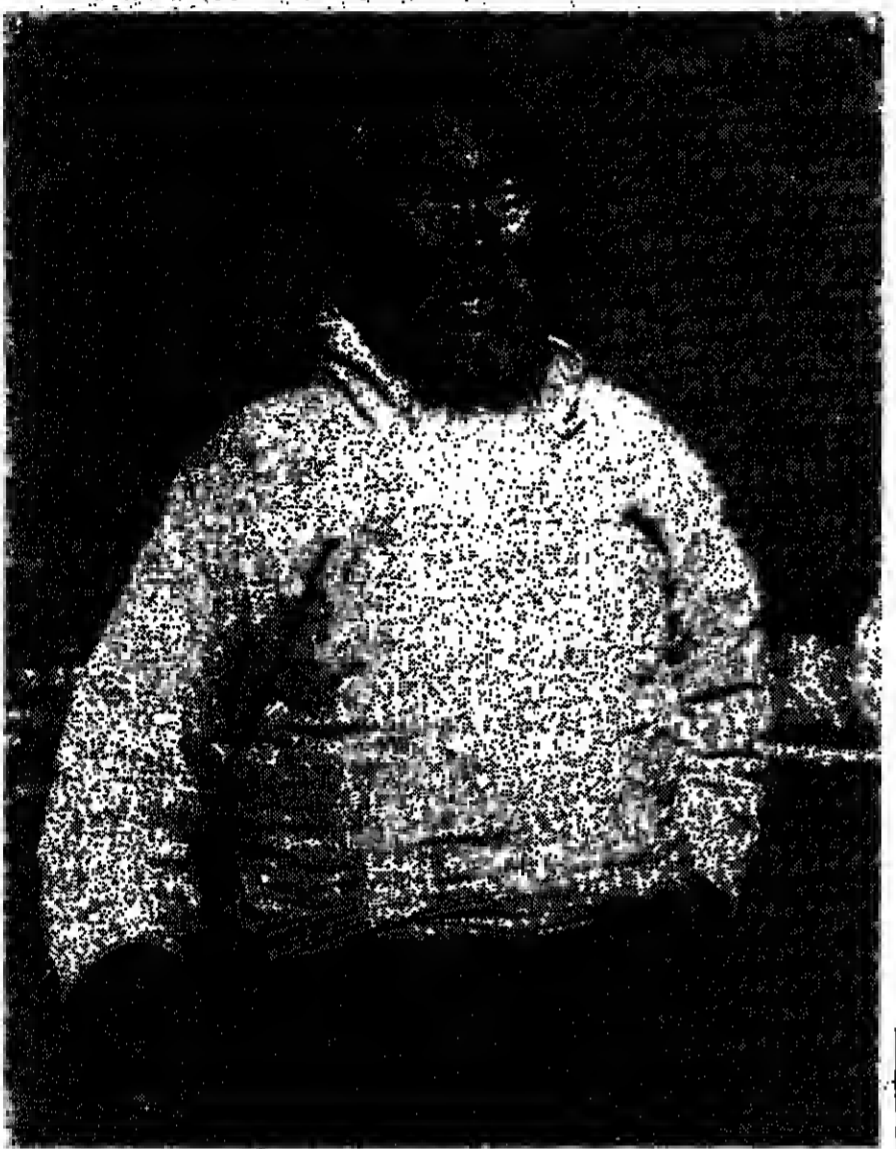
Yet Greenland is not a society brimming with racial conflict and hatred. Most Danes and Eskimos insist that their relations are good and that much of the old resentment has been blunted by the Eskimo satisfaction with home rule.

Prime Minister Jonathan Motzfeldt, a 44-year-old Lutheran minister, and his home-rule government are trying to foster the Greenlandic language and Eskimo culture in a society packed with Danes. The new government has decreed, for example, that Greenlandic will be the language of education for Greenland.

But in an educational system where about 600 Danish teachers make up half of the total number of teachers, and two-thirds of all teachers with educational credentials or degrees, the Danish language must still dominate.

The incessant pace of modernization has created many social problems, with alcoholism the most obvious. In the capital of Nuuk, a town of 10,000, a few Eskimos lie prone on the cold ground outside bars on Friday and Saturday night. Empty cans of Carlsberg and Tuborg beer pile up on street corners in the morning.

Despite the problems, there are few people in Greenland who now believe it was a mistake to modernize. Tuberculosis, after all, has been nearly wiped out. Life expectancy has almost doubled. "I don't feel comfortable being clever looking backward," said Ingmar Egede, the principal of the Teacher's Training College in Nuuk and the son of an Eskimo father and a Danish mother. "I myself participated in the illusion of equalization," he said. "I don't think we could have done it differently in the '50s. I'm not able to blame anyone."



Danish Embassy

The traditional Eskimo hunting and fishing way of life has faded as many people move to the towns looking for work. Social problems have resulted.

Sober Think Tank in U.K. Hires Director With Pizzazz To Put Squeeze on Donors

By Peter Osmon

Washington Post Service

LONDON — On the global circuit of elite foreign and defense policy think tanks, where power is endlessly analyzed for establishment use, Britain's leading entry is the Royal Institute of International Affairs, better known as Chatham House, the name of its elegant, 18th century premises on London's St. James's Square.

Its roster of distinguished mentors and patrons, beginning with the queen and including the heads of government of Britain and all of the Commonwealth countries, outstrips even New York's Council on Foreign Relations in the blue-ribbon league.

Yet today, like so many other august institutions in British life, Chatham House is undergoing something of a crisis of confidence and identity, struggling to maintain its standards and prestige in straitened circumstances. With less money than it needs and less influence than it — or its host country — once had, the Royal Institute is lacking the crucial tender that provides a measure of think tanks wherever they are.

"Chatham House is being squeezed," said one of its most ardent supporters, "and as its position falters, people are less keen on giving funds, which makes it less able to do good work."

Beneath the solemn portraits and down musty corridors, there is no visible handwringing over the problems, no special passing of the hat. The main difficulty, according to critics, is a deficiency of the sort of invigorating, anxious tension that gives less venerable outfits a boost. Meetings are daily held, although most lunches have been pared down to near-starvation rations of cucumber sandwiches, and research papers and journals are churned out. But their impact is rarely what it should be.

David Watt, the director in recent years, is, he willingly admits, a shy person, for whom it is a struggle to be unceasingly glad-handing benefactors and the prickly community that Chatham House serves. Mr. Watt said important studies have been completed lately on economic, energy and East-West topics and he is proud of such innovations as lucrative conferences where business participants pay for knowledge.

Still, with some relief, Mr. Watt said he would return to full-time writing later this year.

Challenge of 'Pizzazz'

After a search in which dozens of names were considered, the challenge of leading Chatham House more "pizzazz," to use a plainly distasteful American term that has, nonetheless, been locally adopted, is falling to Admiral Sir James

Eberle, who was, until March, NATO's top naval officer. At 56, Admiral Eberle is so committed to vigor that he has taken an apartment just outside the All-England Tennis Club at Wimbledon, of which he is one of only 375 select members, rather than living closer to the job.

The admiral was chosen recently from a list of eight finalists that included Peter Jay, Britain's ambassador to Washington during the Carter administration, Rodrick MacFarquhar, an expert on the Chinese who will now take a tenured chair at Harvard, and several prominent politicians. Instead of a high-flier type with a media background like Mr. Jay or a scholar like Mr. MacFarquhar, the search committee clearly went for experience in making things shipshape.

Admiral Eberle is the sort of unusual figure among the British ruling classes, said Lawrence Freedman, a professor of war studies at Kings College, who can look a cabinet minister or a business magnate in the eye and ask for money. Coming from a military man, the crassness of such hustling seems, somehow, less demeaning.

Chatham House prefers not to think of itself as having competitors. But less than a mile away, on the periphery of Covent Garden's boutiques, restaurants and theaters, resides the International Institute for Strategic Studies. Although its subject matter is more narrowly focused than the Royal Institute's, comparisons are inevitable.

The institute, which is only 25 years old and maintains a small staff at a headquarters that is utilitarian at best, seems to be flourishing. Its annual Strategic Survey and report on the worldwide military balance are regarded as the last word. The yearly conferences it holds in different countries have become to strategic specialists what conventions are to Shriners, an indispensable and jovial confab.

Any think tank that is not subsidized by a government has to scramble to stay solvent. At the moment though, the institute is showing a modest budget surplus and is embarked on a fund-raising drive to match a \$1.5-million grant from the Ford Foundation.

The institute's main difference with Chatham House is that it is international. Its present director, Robert O'Neill, is an Australian. Its last director was West German. The deputy director by tradition is British and the assistant director is American.

As a vestige of Britain's imperial period, Chatham House has faced, and not yet really overcome, the adjustment to Britain's reduced role on the international stage. By contrast, the success of the institute, its friends say, demonstrates the potential benefits of a British setting, spiritually midway between the United States and Europe.

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BUSINESS BRIEFS

Lisbon May Have to Sell More Gold To Repay BIS Loan, Bankers Say

LISBON (AP) — Portugal may have to sell about 30 tons of gold, now worth about \$400 million, to repay a \$300-million loan from the Bank for International Settlements, bankers said.

Portugal's central bank deposited 36 tons of gold in March to back a \$400-million loan, and 30 tons in May for the \$300-million loan. Portugal said to sell gold last month to meet a \$400-million payment.

The government is negotiating a \$480-million loan from the International Monetary Fund. It is hoped that the IMF will approve the letter of credit next month, but local bankers said that they doubted Portugal could arrange a loan to cover the BIS payment before the IMF pact is signed.

U.S. Car Sales Climbed During August

DETROIT (UPI) — The Big Three automakers said Tuesday their sales rose 22.8 percent in August, and were up 13.1 percent in the final 10 days of the month.

General Motors said 112,095 autos in the final 10 days, up 10 percent from 101,867 last year. Ford sold 45,513 autos in the period, up from 38,424 in 1982, an increase of 18.5 percent. Chrysler said it sold 22,161 autos, up 19 percent from 18,637 last year.

American Motors' sales rose an estimated 167.3 percent in the final 10 days, with 5,633 cars sold compared with 2,107 a year earlier. Volkswagen of America's sales rose a slight 0.2 percent, to 3,891 from 3,881.

BET to Buy Rest of Rediffusion PLC

LONDON (Reuters) — British Electric Traction PLC said Tuesday it would acquire the remaining shares of Rediffusion PLC that it does not already own.

It said that by Sept. 5 it had received 30.5 million shares, or nearly 97 percent, of Rediffusion common shares, and 1.17 million cumulative preference shares, or nearly 98 percent.

About 32.5 percent of shareholders accepted the offer, which was first made April 26.

Inflation in West Fell in 2d Quarter

WASHINGTON (AP) — Consumer-price inflation in the non-Communist industrial countries declined sharply in the second quarter of 1983, the International Monetary Fund said.

The average 12-month rate of inflation eased to 5 percent, compared with 5.5 percent during the first quarter of 1983, and 7.9 percent in the second quarter of 1982, the IMF said Monday.

The second-quarter showing marked the lowest 12-month inflation rate in 11 years, and was the seventh consecutive quarterly decline. The quarterly drop in the combined inflation rate was shared by all industrial countries except Japan, whose low rate of 2.1 percent in the first quarter rose slightly to 2.2 percent in the second quarter.

Philips-Grundig Tie Could Match Japan

By John Tagliabue

New York Times Service

BONN — Closer ties between the giant Dutch electrical-products group Philips and Grundig, West Germany's largest consumer-electronics company, could create a company that would be a major force, alongside Thomson-Brandt, in Europe's efforts to win back a substantial share of the consumer-electronics market from the Japanese.

The disclosure Monday that Philips was close to an agreement to increase its share of Grundig came about six months after Thomson-Brandt, which is controlled by the French government, had acquired 75 percent of Telefunken, the consumer-electronics unit of West Germany's ailing AEG-Telefunken. A Thomson-Brandt bid for Grundig had been rejected by the West German antitrust office.

An expanded Philips presence would likely be viewed as a West German electrical company.

Siemens, the market leader, annually supplies about \$37 million worth of parts to Grundig. Together with other companies, it might pressure Bonn to reject the Philips deal.

Philips owns 24.5 percent of Grundig. The rest is owned by the Max Grundig Foundation, through which Mr. Grundig, 74, and his family control the company he founded.

Mr. Grundig, in an interview in the business newspaper Handelsblatt, said contractual agreements were being negotiated to raise Philips' share above 25 percent. He said it was conceivable that Philips would acquire a controlling share in the foreseeable future.

A Grundig official, emphasizing that any takeover would be gradual, said Philips would likely be offered a 25.5-percent share early next year, and a controlling 51 percent in four or five years.

A Philips official at the company's headquarters in Eindhoven, the Netherlands, said, "Philips stands positively to the statements by Grundig."

No financial details were disclosed, but the nominal value of Grundig's share capital is 260 million Deutsche marks (\$96.5 million), so a 25.5-percent share would be worth 65.5 million DM.

Acquisition of a block of stock equal to more than 25 percent of a company's equity requires approval by West Germany's antitrust board. When Philips bought its original stake in 1979, the board rejected a bid for 30 percent.

Mr. Grundig said he expected no antitrust problems. An antitrust official in Berlin said the board had not been approached on the matter.

In March, the board had rejected Thomson-Brandt's bid for Grundig, reasoning that the linkup would have been potentially anti-competitive. The board is also said to have been under pressure from



Max Grundig

the government not to allow a major West German company to come under the control of France's socialist government.

Soon after the decision was made known, Thomson announced that it would buy the Telefunken stake.

A Philips takeover of Grundig would create a giant European consumer-electronics group. Based on 1982 figures, the new company would have annual sales equivalent to about \$15.4 billion.

Grundig and Philips jointly developed the Video 2000 video-recording system, the only non-Japanese recording system.

A Grundig takeover would be a further step in Philips' efforts to cement business ties across national boundaries. Philips collaborated with Sony to develop the Compact-disc, the new digital recording system with laser pickup. Last autumn, Philips made an agreement with American Telephone & Telegraph Co. in the telephone-equipment field.

Surveys Show Economy of U.S. Continuing to Grow Strongly

The Associated Press

WASHINGTON — The National Association of Purchasing Managers said that its survey of executives in charge of corporate purchasing departments showed that the U.S. economy continued to grow strongly in August, led by gains in employment and industrial production.

The association said Monday that its composite index fell slightly, however, indicating that the economy was continuing to grow last month but at a slightly slower pace than in July.

The index, measuring changes in production, employment, inventories and other items, slipped to 63.6 percent from 67.1 percent. The trade group attributed the decline to seasonal factors, and said the August figure was "still strong."

A reading above 50 percent indicates a growing economy, while a lower reading means that the economy is contracting, the association said.

The association bases its survey on interviews with executives in charge of corporate purchasing programs at 250 industrial corporations in 40 states.

The group said its survey for August showed employment gains were the most widespread for any month this year. Also, the percentage of purchasing managers reporting increases in production in August was the greatest in six years, at 44 percent.

The only clear negative trend was in prices. The association said 39 percent of the purchasing managers reported higher prices, the biggest percentage of the year. By comparison, 33 percent reported higher prices in July and 28 percent in June.

Charles T. Haffey, vice president of the corporate purchasing division at Pfizer Inc., and chairman of the purchasing managers association, said the upward trend of

prices in August "deserves watching," but added that "there is no reason for concern as yet."

Separately, in a report on capital appropriations, the Conference Board said the nation's 1,000 largest manufacturers increased appropriations by 3.9 percent in the second quarter, to \$21 billion.

Appropriations, or authorizations to spend money in the future, are considered a leading indicator of capital spending.

The second-quarter gain included a 17.6 percent drop in appropriations in the oil industry. Appropriations by nonoil companies rose 14.7 percent.

Capital spending by the 1,000 largest manufacturers fell 0.8 percent in the second quarter, to \$18.7 billion. The Conference Board, a business-sponsored research group, said the manufacturers are projecting a 12 percent drop in spending for all 1983.

3 Eurobond Issues Of \$400 Million Are Announced

Compiled by Our Staff From Dispatches

LONDON — Three new Eurobond offerings totaling \$400 million were announced Tuesday.

Ontario Hydro is raising \$200 million through a seven-year Eurobond, Deutsche Bank, the lead manager, said. The noncallable issue carries an 11 1/2-percent coupon and is priced at 99 1/4. Wood Gundy said it is co-lead manager, with other co-lead managers still to be named.

Red Nacional de los Ferrocarriles Espanoles, Spain's national railway, is issuing \$100 million of eight-year floating-rate notes, the lead manager, Credit Suisse First Boston, said. The notes are to be priced at par and pay interest at 0.25 percentage point above the London interbank offered rate for Eurodollar deposits. The minimum interest rate is 5.25 percent.

The European Community is to raise \$100 million through a 10-year Eurobond. The joint lead managers are Credit Suisse, Deutsche Bank and Societe Generale. The noncallable issue carries a 12-percent coupon. The issue price has not yet been set, but is expected to be fixed at par.

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U.S. Future Prices

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	Open	High	Low	Settle	Chg.		Open	High	Low	Settle	Chg.
Aug. Sales	42,427	42,547	42,324	42,752	+377	Feb.	476.10	476.10	475.10	476.10	0.00
Prev. Day Open Int.	11,864	at 307				Mar.	475.10	475.10	474.50	475.10	+0.10
Financial											
COPPER C											
25,000 lbs. cents per lb.						Jul.	203.00	203.00	202.50	203.00	+0.50
Aug.	122.10	122.10	122.10	122.65	+0.10	Aug.	115.25	115.25	115.25	115.14	-0.11
Oct.	122.65	122.65	122.65	122.65	0.00	Sept.	99.80	99.80	99.80	99.80	0.00
Nov.	122.65	122.65	122.65	122.65	0.00	Oct.	99.80	99.80	99.80	99.76	-0.10
Dec.	122.65	122.65	122.65	122.65	0.00	Nov.	99.80	99.80	99.80	99.76	-0.10
Jan.	122.65	122.65	122.65	122.65	0.00	Dec.	99.80	99.80	99.80	99.76	-0.10
Feb.	122.65	122.65	122.65	122.65	0.00	Jan.	99.80	99.80	99.80	99.76	-0.10
Mar.	122.65	122.65	122.65	122.65	0.00	Feb.	99.80	99.80	99.80	99.76	-0.10
Apr.	122.65	122.65	122.65	122.65	0.00	Mar.	99.80	99.80	99.80	99.76	-0.10
May	122.65	122.65	122.65	122.65	0.00	Apr.	99.80	99.80	99.80	99.76	-0.10
Jun.	122.65	122.65	122.65	122.65	0.00	May	99.80	99.80	99.80	99.76	-0.10
Jul.	122.65	122.65	122.65	122.65	0.00	Jun.	99.80	99.80	99.80	99.76	-0.10
Aug.	122.65	122.65	122.65	122.65	0.00	Jul.	99.80	99.80	99.80	99.76	-0.10
Est. Sales	Prev. Sales	4,491				Aug.	99.80	99.80	99.80	99.76	-0.10
Prev. Day Open Int.	7,275	at 305				Sept.	99.80	99.80	99.80	99.76	-0.10
COCOA											
10 metric tons 5 per ton						Oct.	99.80	99.80	99.80	99.76	-0.10
Aug.	1971	2003	1971	2003	0.00	Nov.	99.80	99.80	99.80	99.76	-0.10
Oct.	1971	2003	1971	2003	0.00	Dec.	99.80	99.80	99.80	99.76	-0.10
Nov.	1971	2003	1971	2003	0.00	Jan.	99.80	99.80	99.80	99.76	-0.10
Dec.	1971	2003	1971	2003	0.00	Feb.	99.80	99.80	99.80	99.76	-0.10
Jan.	1971	2003	1971	2003	0.00	Mar.	99.80	99.80	99.80	99.76	-0.10
Feb.	1971	2003	1971	2003	0.00	Apr.	99.80	99.80	99.80	99.76	-0.10
Mar.	1971	2003	1971	2003	0.00	May	99.80	99.80	99.80	99.76	-0.10
Apr.	1971	2003	1971	2003	0.00	Jun.	99.80	99.80	99.80	99.76	-0.10
May	1971	2003	1971	2003	0.00	Jul.	99.80	99.80	99.80	99.76	-0.10
Jun.	1971	2003	1971	2003	0.00	Aug.	99.80	99.80	99.80	99.76	-0.10
Jul.	1971	2003	1971	2003	0.00	Sept.	99.80	99.80	99.80	99.76	-0.10
Aug.	1971	2003	1971	2003	0.00	Oct.	99.80	99.80	99.80	99.76	-0.10
Est. Sales	Prev. Sales	5,477				Nov.	99.80	99.80	99.80	99.76	-0.10
Prev. Day Open Int.	26,445	at 356				Dec.	99.80	99.80	99.80	99.76	-0.10
CORN											
10,000 lbs. cents per lb.						Jan.	99.80	99.80	99.80	99.76	-0.10
Aug.	122.10	122.10	122.10	122.65	+0.10	Feb.	99.80	99.80	99.80	99.76	-0.10
Oct.	122.65	122.65	122.65	122.65	0.00	Mar.	99.80	99.80	99.80	99.76	-0.10
Nov.	122.65	122.65	122.65	122.65	0.00	Apr.	99.80	99.80	99.80	99.76	-0.10
Dec.	122.65	122.65	122.65	122.65	0.00	May	99.80	99.80	99.80	99.76	-0.10
Jan.	122.65	122.65	122.65	122.65	0.00	Jun.	99.80	99.80	99.80	99.76	-0.10
Feb.	122.65	122.65	122.65	122.65	0.00	Jul.	99.80	99.80	99.80	99.76	-0.10
Mar.	122.65	122.65	122.65	122.65	0.00	Aug.	99.80	99.80	99.80	99.76	-0.10
Apr.	122.65	122.65	122.65	122.65	0.00	Sept.	99.80	99.80	99.80	99.76	-0.10
May	122.65	122.65	122.65	122.65	0.00	Oct.	99.80	99.80	99.80	99.76	-0.10
Jun.	122.65	122.65	122.65	122.65	0.00	Nov.	99.80	99.80	99.80	99.76	-0.10
Jul.	122.65	122.65	122.65	122.65	0.00	Dec.	99.80	99.80	99.80	99.76	-0.10
Aug.	122.65	122.65	122.65	122.65	0.00	Jan.	99.80	99.80	99.80	99.76	-0.10
Est. Sales	Prev. Sales	4,491				Feb.	99.80	99.80	99.80	99.76	-0.10
Prev. Day Open Int.	7,275	at 305				Mar.	99.80	99.80	99.80	99.76	-0.10
WHEAT											
10,000 lbs. cents per lb.						Apr.	99.80	99.80	99.80	99.76	-0.10
Aug.	122.10	122.10	122.10	122.65	+0.10	May	99.80	99.80	99.80	99.76	-0.10
Oct.	122.65	122.65	122.65	122.65	0.00	Jun.	99.80	99.80	99.80	99.76	-0.10
Nov.	122.65	122.65	122.65	122.65	0.00	Jul.	99.80	99.80	99.80	99.76	-0.10
Dec.	122.65	122.65	122.65	122.65	0.00	Aug.	99.80	99.80	99.80	99.76	-0.10
Jan.	122.65	122.65	122.65	122.65	0.00	Sept.	99.80	99.80	99.80	99.76	-0.10
Feb.	122.65	122.65	122.65	122.65	0.00	Oct.	99.80	99.80	99.80	99.76	-0.10
Mar.	122.65	122.65	122.65	122.65	0.00	Nov.	99.80	99.80	99.80	99.76	-0.10
Apr.	122.65	122.65	122.65	122.65	0.00	Dec.	99.80	99.80	99.80	99.76	-0.10
May	122.65	122.65	122.65	122.65	0.00	Jan.	99.80	99.80	99.80	99.76	-0.10
Jun.	122.65	122.65	122.65	122.65	0.00	Feb.	99.80	99.80	99.80	99.76	-0.10
Jul.	122.65	122.65	122.65	122.65	0.00	Mar.	99.80	99.80	99.80	99.76	-0.10
Aug.	122.65	122.65	122.65	122.65	0.00	Apr.	99.80	99.80	99.80	99.76	-0.10
Est. Sales	Prev. Sales	4,491				May	99.80	99.80	99.80	99.76	-0.10
Prev. Day Open Int.	7,275	at 305				Jun.	99.80	99.80	99.80	99.76	-0.10
SOYBEANS											
10,000 lbs. cents per lb.						Jul.	99.80	99.80	99.80	99.76	-0.10
Aug.	122.10	122.10	122.10	122.65	+0.10	Aug.	99.80	99.80	99.80	99.76	-0.10
Oct.	122.65	122.65	122.65	122.65	0.00	Sept.	99.80	99.80	99.80	99.76	-0.10
Nov.	122.65	122.65	122.65	122.65	0.00	Oct.	99.80	99.80	99.80	99.76	-0.10
Dec.	122.65	122.65	122.65	122.65	0.00	Nov.	99.80	99.80	99.80	99.76	-0.10
Jan.	122.65	122.65	122.65	122.65	0.00	Dec.	99.80	99.80	99.80	99.76	-0.10
Feb.	122.65	122.65	122.65	122.65	0.00	Jan.	99.80	99.80	99.80	99.76	-0.10
Mar.	122.65	122.65	122.65	122.65	0.00	Feb.	99.80	99.80	99.80	99.76	-0.10
Apr.	122.65	122.65	122.65	122.65	0.00	Mar.	99.80	99.80	99.80	99.76	-0.10
May	122.65	122.65	122.65	122.65	0.00	Apr.	99.80	99.80	99.80	99.76	-0.10
Jun.	122.65	122.65	122.65	122.65	0.00	May	99.80	99.80	99.80	99.76	-0.10
Jul.	122.65	122.65	122.65	122.65	0.00	Jun.	99.80	99.80	99.80	99.76	-0.10
Aug.	122.65	122.65	122.65	122.65	0.00	Jul.	99.80	99.80	99.80	99.76	-0.10
Est. Sales	Prev. Sales	4,491				Aug.	99.80	99.80	99.80	99.76	-0.10
Prev. Day Open Int.	7,275	at 305				Sept.	99.80	99.80	99.80	99.76	-0.10
PLATINUM											
50 troy oz. dollars per troy oz.						Oct.	99.80	99.80	99.80	99.76	-0.10
Aug.	449.00	449.00	448.00	449.00	+0.00	Nov.	99.80	99.80	99.80	99.76	-0.10
Oct.	449.00	449.00	448.00	449.00	+0.00	Dec.	99.80	99.80	99.80	99.76	-0.10
Nov.	449.00	449.00	448.00	449.00	+0.00	Jan.	99.80	99.80	99.80	99.76	-0.10
Dec.	449.00	449.00	448.00	449.00	+0.00	Feb.	99.80	99.80	99.80	99.76	-0.10
Jan.	449.00	449.00	448.00	449.00	+0.00	Mar.	99.80	99.80	99.80	99.76	-0.10
Feb.	449.00	449.00	448.00	449.00	+0.00	Apr.	99.80	99.80	99.80	99.76	-0.10
Mar.	449.00	449.00	448.00	449.00	+0.00	May	99.80	99.80	99.80	99.76	-0.10
Apr.	449.00	449.00	448.00	449.00	+0.00	Jun.	99.80	99.80	99.80	99.76	-0.10
May	449.00	449.00	448.00	449.00	+0.00	Jul.	99.80	99.80	99.80	99.76	-0.10
Jun.	449.00	449.00	448.00	449.00	+0.00	Aug.	99.80	99.80	99.80	99.76	-0.10
Jul.	449.00	449.00	448.00	449.00	+0.00	Sept.	99.80	99.80	99.80	99.76	-0.10
Aug.	449.00	449.00	448.00	449.00	+0.00	Oct.	99.80	99.80	99.80	99.76	-0.10
Est. Sales	Prev. Sales	1,241				Nov.	99.80	99.80	99.80	99.76	-0.10
Prev. Day Open Int.	15,881	at 308				Dec.	99.80	99.80	99.80	99.76	-0.10
GOLD											
100 troy oz. dollars per troy oz.						Jan.	99.80	99.80	99.80	99.76	-0.10
Aug.	449.00	449.00	448.00	449.00	+0.00	Feb.	99.80	99.80	99.80	99.76	-0.10
Oct.	449.00	449.00	448.00	449.00	+0.00	Mar.	99.80	99.80	99.80	99.76	-0.10
Nov.	449.00	449.00	448.00	449.00	+0.00	Apr.	99.80	99.80	99.80	99.76	-0.10
Dec.	449.00	449.00	448.00	449.00	+0.00	May	99.80	99.80	99.80	99.76	-0.10
Jan.	449.00	449.00	448.00	449.00	+0.00	Jun.	99.80	99.80	99.80	99.76	-0.10
Feb.	449.00	449.00	448.00	449.00	+0.00	Jul.	99.80	99.80	99.80	99.76	-0.10
Mar.	449.00	449.00	448.00	449.00	+0.00	Aug.	99.80	99.80	99.80	99.76	-0.10
Apr.	449.00	449.00	448.00	449.00	+0.00	Sept.	99.80	99.80	99.80	99.76	-0.10
May	449.00	449.00	448.00	449.00	+0.00	Oct.	99.80	99.80	99.80	99.76	-0.10
Jun.	449.00	449.00	448.00	449.00	+0.00	Nov.	99.80	99.80	99.80	99.76	-0.10
Jul.	449.00	449.00	448.00	449.00	+0.00	Dec.	99.80	99.80	99.80	99.76	-0.10
Aug.	449.00	449.00	448.00	449.00	+0.00	Jan.	99.80	99.80	99.80	99.76	-

LDP Is to Propose Bill To Cut Japanese Taxes

TOKYO — Party sources said Tuesday that the ruling Liberal Democratic Party is to propose a bill to reduce income taxes.

If approved, the reduction, to be proposed during the session of the Diet that starts later this week, would become effective before the end of the year, in line with precedents by Prime Minister Yasuhiro Nakasone, the sources said.

The sources did not give details of the bill's provisions.

The sources said the government's Tax System Council has been told to accelerate its work on drafting the necessary legislation, and agreement on a reduction has been reached with opposition parties.

The opposition, particularly the Japan Socialist Party, has urged the government to announce a 1.4-trillion-yen (\$5.96-billion) cut in taxes.

Political sources said it is possible that the legislation would provide for higher tax thresholds because wage increases during the five years since tax brackets last were changed have pushed many people into higher brackets.

The political sources said the government's proposed tax reduction would run against the policy of

reimburse the fiscal deficit in reduction were put into effect on compensating revenue-negligent legislation.

Within the Finance Ministry has been suggested that the government adopt a value-added tax, or sales tax, to counter the budget deficit.

However, political sources said, at the time this was suggested in late 1976 by then Prime Minister Masayoshi Ohira, he was forced to abandon it because of widespread opposition from the LDP, and from labor and farmer groups, the Diet and industry.

Political sources said the government hoped to gather additional revenue from corporate taxes after the current economic recovers a bit longer, and to make cuts in spending on government bureaucracy.

However, the introduction of new taxes to balance the income tax reduction still looks uncertain, and the Finance Ministry is looking at possible taxes on technologies as computers and electronic products, they said.

The idea of removing tax exemptions on about 300,000 million of savings deposits has been discussed in the past, they noted.

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Soccer's Hooliganism, Root and Branch

certain things. We just don't mix very well."

Said Scanlon: "What more can you ask for than to beat the No. 1 player at the U.S. Open in New York City before a crowd that was fantastic?"

Jimmie Connors, seeded third, now has a clearer path to Sunday's final and another possible showdown with Ivan Lendl, the man he beat in last year's final.

Connors beat Heinz Günthardt of Switzerland, 7-5, 6-4, 6-1, Monday and in the quarterfinals will meet No. 14 Eliot Teltscher, a fourteen-victor over Greg Holmes. Scanlon's quarterfinal foe will be Mark Dickson, who advanced with a fiercely contested 6-7, 7-6, 6-0, 7-6 victory over John Lloyd of Britain.

Fourth-round women's play was relatively tame. Pam Shriver, Jo Durie of Britain and Ivanna Mula-Gracia-Oses of Argentina all won

The quarterfinal pairings are Evert vs. Hana Mandlikova, Jaeger vs. Shriver, Durie vs. Madruga-Osses and Martina Navratilova vs. Sylvia Hanika.

Bill Scanlon
'What more can you ask for...?'

It is far from a British phenomenon. The escalating crowd violence, the toll of deaths of people attending soccer matches is a worldwide

why the connection? Because, unlike his predecessor, Carlos Bilardo is a notorious former player whose misdemeanors in the 1960s were a major reason for the rift between European and Latin American clubs.

Some time later, **Estudiantes** and **Velez** played out the second half. **Velez** had a player

Hill and 1 yard to Doc
Rafael Sephen's 26-yard
was the only first-half score.
Cowboys.
Joe Theismann passed

	East	
Dallas	1 0 0	1,000 31 28
Philadelphia	1 0 0	1,000 22 17
N.Y. Giants	0 1 0	.000 6 14
St. Louis	0 1 0	.000 17 28
Washington	0 1 0	.000 38 31
	Central	

Less will be served by a European's casting doomsday aspersions on the new Argentine *hinchas*, then, by convincing the South Americans

6-5. Jesse Orosco (13-5) picked up his ninth straight victory, one short of Tom Seaver's club record.

Giants 3, Reds 2

In San Francisco, pinch hitter Dave Bergman's two-run home run in the eighth lifted the Giants over Cincinnati, 3-2.

Brewers 3, Yankees 1

In the American League, in Milwaukee, Mark Brouha's homer and three-run third-inning hit and rookie Tom Candiotti and Pete Ladd combined on a six-bitter as Milwaukee beat New York, 3-1.

White Sox 11, A's 1

In Chicago, Carlton Fisk and Ron Kittle homered to pace a 16-hit attack that led the White Sox to an 11-1 pounding of Oakland.

Red Sox 2, Orioles 0

In Baltimore, Rich Gedman's

Let us spread the net at random. Latin America holds the dubious record of 318 killed and 500 seriously injured in Peru in May 1964, when crowd unrest at the refusal of a referee to award a penalty was turned into a deathly panic after police fired shots into the air.

able leniency of habitual abuse of the game's laws, has not yet reached the stage where soccer itself attempts to use hooliganism, real or imaginary, to its own ends.

But neither is the game as innocent as it would have us believe.

Beat NFL Standings

in

aner

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- Danoy
ouchdowns
the Dallas
point half-
to edge
is, 31-30.

AMERICAN CONFERENCE

	E	W	L	T	Pct.	PP	PA
Baltimore	1	0	0	1	1.000	29	23
Atlanta	1	0	0	1	1.000	12	0
N.Y. Jets	0	0	1	0	1.000	41	29
Buffalo	0	1	0	0	.000	0	12
New England	0	1	0	0	.000	23	29
Central							
Cincinnati	0	1	0	0	.000	10	20
Cleveland	0	1	0	0	.000	21	27
Houston	0	1	0	0	.000	38	41
Pittsburgh	0	1	0	0	.000	14	14
West							
Denver	0	0	1	0	1.000	14	10
Kansas City	0	0	1	0	1.000	17	13
L.A. Raiders	1	0	0	1	1.000	20	10
San Diego	0	1	0	0	.000	22	41

trip highlighted a two-run lead and Bob Ojeda (8-7) and Bob Stanley, aided by four double plays, combined on a five-bitter to lead

[illegible]

HUG — Skipper John Bertrand got from his wife, Raza, after Australia II '83 of Britain from the America's Newport, Rhode Island. The margin in race of the best-of-seven challengers minutes, 19 seconds. Australia II and defender, Liberty, will start their cup-fi-

	Central	West	East
Detroit	1	0	1,000
Green Bay	1	0	1,000
Indianapolis	1	0	1,000
Chicago	1	0	1,000
Tampa Bay	1	0	1,000
Atlanta	1	0	1,000
L.A. Raiders	1	0	1,000
New Orleans	1	0	1,000
San Francisco	1	0	1,000

Weekend's Result


Dallas 31 Houston 30

CFL Standings

	Eastern Division					Pts
	W	L	T	P	Y	
Toronto	4	2	0	237	172	12
Hamilton	4	2	0	225	216	8
Ottawa	3	3	0	179	216	4
Montreal	1	7	0	149	234	2
British Cmb	4	2	0	258	155	12
Calgary	5	3	0	219	197	10
Winnipeg	5	3	0	200	206	10
Edmonton	4	4	0	216	170	8
Saskatchewan	2	4	0	155	284	4

Weekend's Results

Calgary 18 Edmonton 15
Hamilton 25 Montreal 30



The Associated Press

HUG — Skipper John Bertrand got a warm welcome from his wife, Rasa, after Australia II eliminated Victory '83 of Britain from the America's Cup Tuesday off Newport, Rhode Island. The margin in the decisive fifth race of the best-of-seven challengers' final was three minutes, 19 seconds. Australia II and the United States defender, Liberty, will start their cup-final series Sept. 13.

United Press International		Control	
WASHINGTON — Danoy	Cincinnati	0 1 0	.000 70 20
	Cleveland	0 1 0	.000 21 27

White was 8-for-10 for 183 yards in the second half after completing just one pass in 10 attempts for 10

Calgary	5	3	0	219	197	10
Winnipeg	5	3	0	206	200	10
Edmonton	4	4	0	203	170	8
Saskatchewan	2	4	0	185	204	4

Monday's Results

Calgary 18, Edmonton 15
Hamilton 35, Montreal 30

just one pass in 10 attempts for 10 yards in the first half.

Liesmann was 15-for-19 in his final passing. He finished 28-for-38 for 325 yards.

The Cowboys, 3-1 during exhibition play, had revenge as a chief motivation. Washington dominated Dallas, 31-17, in their last meeting, the National Conference title game here last January.

	Western Division	Eastern Division			
British Club	6	2	258	155	12
Cowboys	5	3	219	197	10
Vincennes	5	3	306	200	18
Edmonton	4	4	263	270	8
Saskatchewan	3	4	215	296	4

Monday's Results

Calgary 10, Edmonton 15	Montreal 36
Houston 35, Montreal 30	

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